

SOUTH AUSTRALIA - SPECIAL WATER LICENCE

Her Excellency the Governor in and over the State of South Australia, in the Commonwealth of Australia, pursuant to and in exercise of the powers and authorities conferred upon her by the Roxby Downs (Indenture Ratification) Act, 1982, and of all other powers enabling her in that behalf, doth hereby grant to WMC (Olympic Dam Corporation) Pty Ltd (hereafter called 'the Licensee' which expression shall include their successors and assigns) an exclusive Special Water Licence to draw water from the areas and water sources specified in Item A of the Schedule hereto (hereinafter called 'the source or area') subject to and upon the terms and conditions hereinafter appearing

WHEREAS

- (a) The State of South Australia ('the State') has entered into an Indenture with the Minister for Mines and Energy, Roxby Mining Corporation Pty Ltd, BP Australia Limited, BP Petroleum Development Limited and Western Mining Corporation Limited which Indenture bears date the third day of March 1982 (hereinafter referred to as 'the Indenture').
- (b) The Parliament of the State has ratified the Indenture by the enactment of the Roxby Downs (Indenture Ratification) Act, 1982.
- (c) Pursuant to the Indenture the State undertook upon satisfaction of certain conditions precedent to grant a Special Water Licence upon the terms and conditions set out in the Indenture.
- (d) The said conditions precedent now being satisfied the State has executed this Special Water Licence in partial satisfaction and fulfilment of its obligations pursuant to the Indenture (and in particular pursuant to Clause 13 thereof).

TERMS AND CONDITIONS

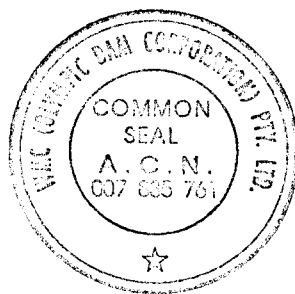
1. The Licensee shall be at liberty subject only to the express provisions of this Special Water Licence and the Indenture to draw water from the source or area for such purposes consistent with the provisions of the Indenture as they shall in their absolute discretion think fit.
2. The Licensee shall not be at liberty to withdraw water except for exploration construction and testing purposes until the agreement has been reached between the Minister for the Environment and Natural Resources and the Licensee as provided in paragraph (a) of sub-clause (8) of Clause 13 of the Indenture.
3. (a) If the Minister for the Environment and Natural Resources has reason to believe that the continued abstraction of water by the Licensee from the designated area will be detrimental to the source or area or that there is a reasonable possibility of a complete or partial failure of the water supply therefrom, he may issue to the Licensee a notice requiring them to restrict the abstraction of water from the designated area to the limit set out in the notice.

- (b) The Minister for the Environment and Natural Resources may, if he is of the opinion that an emergency situation exists, give not less than ninety-six hours notice to the Licensee requiring them to limit the amount of water which may be taken from the source or area at any one time or from time to time to the maximum which such source or area is hydrologically capable of safely supplying.
 - (c) In the event that the Minister for the Environment and Natural Resources shall at any time limit the amount of water to be taken from the source or area the obligation of the State and the Licensee shall be as set forth in sub-clause (9) of Clause 13 of the Indenture.
- 4. The Licensee may construct all necessary bores, valves, pipelines, meters, tanks, equipment and appurtenances necessary to draw, transport, use and dispose of water drawn from the source or area. The Licensee shall to the extent that it is practical and economical for them to do so design, construct and operate or cause to be designed, constructed or operated all such plant so as to promote the most efficient use of water.
- 5. The State shall be at liberty to grant to third parties (including where applicable the State) rights to draw water from the source or area only in accordance with the provisions of sub-clause (13) of Clause 13 of the Indenture.
- 6. This Licence shall commence on the 30th day of November 1995 and expire upon 8th May 2036 subject to any renewal or renewals hereof.
- 7. An application for renewal of this Licence shall be made by the Licensee to the Minister.
- 8. The Licensee pursuant to sub-clause (3) of Clause 51 of the Indenture shall be at liberty to surrender any portion or portions of the lands the subject of this Licence by giving to the Minister for the Environment and Natural Resources three calendar months notice in writing of their intention or desire so to do.
- 9. The State shall not terminate this Licence except by notice to the Licensee in accordance with the provisions of Clauses 41 and 42 of the Indenture.
- 10. The conditions of this Licence may be amended or modified or compliance with any such conditions may be waived by agreement in writing between the State and the Licensee and not otherwise.
- 11. If any question difference or dispute shall arise under or in relation to this Licence between the State and the Licensee concerning any provisions of this Licence or the meaning or construction of any matter or thing arising under or in any way connected with this Licence or the rights duties or liabilities of either the State or the Licensee under or in pursuance of the provisions of this Licence including any question of whether the State or a Licensee is in default under any provisions of this Licence then and in every such case the question difference dispute matter or thing shall be referred to arbitration in accordance with the procedure set out in Clause 49 of the Indenture and accordingly the Licensee shall waive any right of appeal afforded by the provisions of the Water Resources Act.

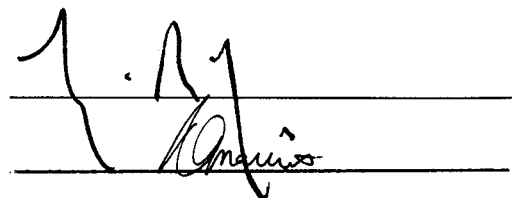
12. This Licence and any transfer mortgage or other dealing herewith shall be recorded in accordance with the provisions of Clause 51 of the Indenture.
13. Any notice to be given or demand to be made by the Licensee or by or on behalf of the Minister for the Environment and Natural Resources shall be given or made as specified in Clause 54 of the Indenture.
14. In the construction of this Licence each and every word term or expression defined or used in the Indenture shall have the same meaning when used in this Licence as in the Indenture; words importing one gender shall include the other genders; the singular shall include the plural and vice versa.

IN WITNESS whereof this Special Water Licence has been granted and executed by Her Excellency the Governor of the State and by the Licensee.

Her Excellency the Governor of South Australia caused the Public Seal of the State to be affixed hereto on the 30th day of November 1995



The Common Seal of WMC (Olympic Dam Corporation) Pty Ltd was affixed in the presence of:



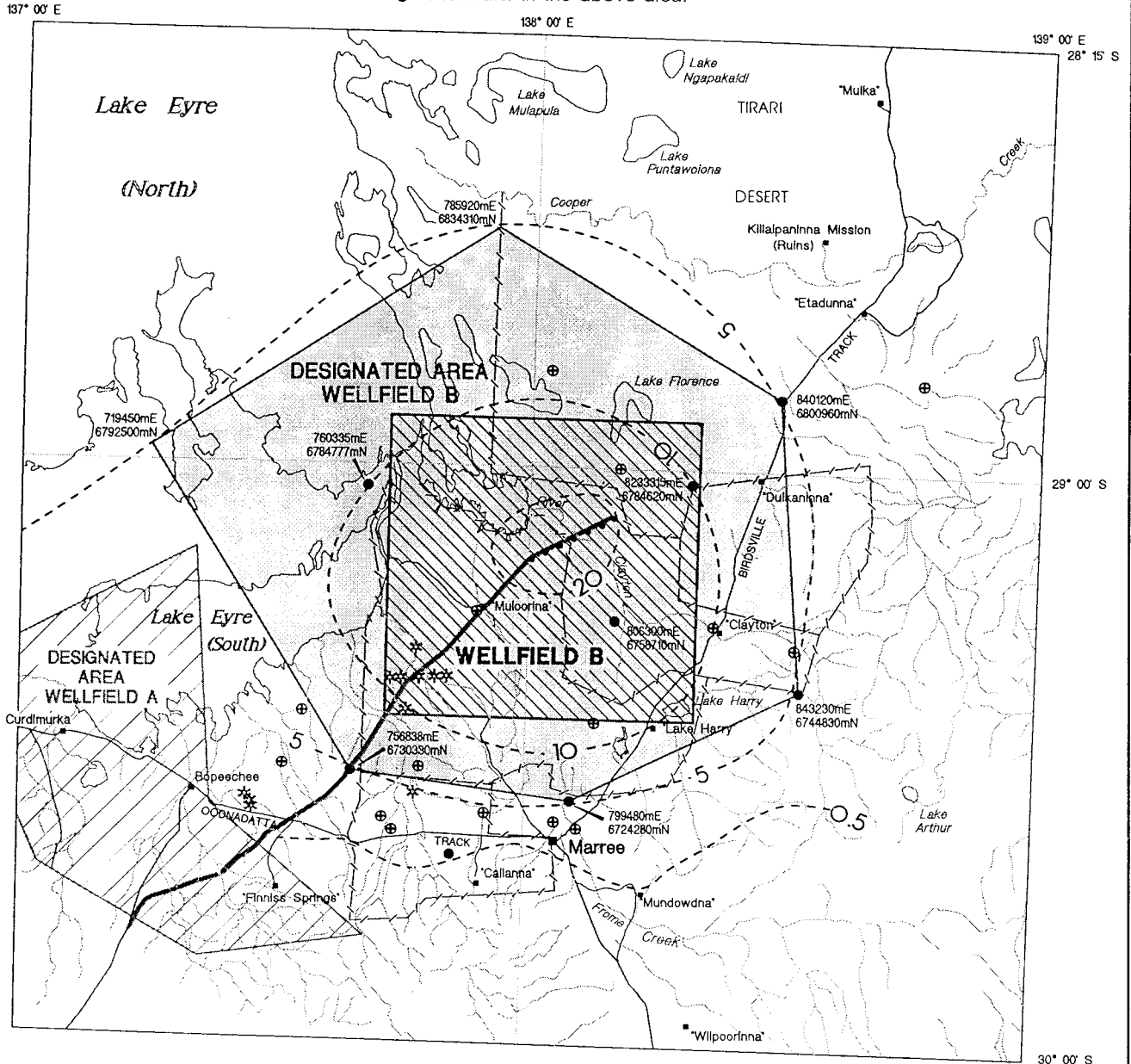
SCHEDULE TO THE SPECIAL WATER LICENCE

ITEM A: The area is all the land in the State bounded as follows:

Commencing at a point AMG 785920 E 6834310 N (Lat. 28°35'12" S Long. 137°55'24" E), thence southeasterly to a point AMG 840120 E 6800960 N (Lat. 28°52'26" S Long. 138°29'18" E), thence southerly to a point AMG 843230 E 6744830 N (Lat. 29°22'44" S Long. 138°32'09" E), thence west southwesterly to a point AMG 799480 E 6724280 N (Lat. 29°34'31" S Long. 138°05'28" E), thence west northwesterly to a point AMG 756838 E 6730330 N (Lat. 29°31'49" S Long. 137°39'00" E), thence northwesterly to a point AMG 719450 E 6792500 N (Lat. 28°58'36" S Long. 137°15'08" E), thence northeasterly to the point of commencement. The area is the shaded area marked 'DESIGNATED AREA WELLFIELD B' on the figure below.

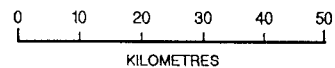
(AMG Coordinates are in metres and refer to zone 53 extended. Latitudes Longitudes are approximate and the datum is defined on p. 4984 of Commonwealth Gazette number 84 dated October 6, 1966)

The source is the underground water in the above area.



- Existing stock well ⊕
- Existing WCB observation well *
- Proposed new observation well ●
- DESIGNATED AREA (WELLFIELD B) [Shaded Box]
- Predicted drawdown contour (m) after 20 years (42ML/day) -5-
- Pastoral lease boundary [Dashed Line]

- Proposed pipeline [Solid Line]
- Proposed production well [Dotted Line]



Coordinates in metres (AMG zone 53 extended)

Figure 1
**OLYMPIC DAM OPERATIONS - WELLFIELD B
RECOMMENDED WELLFIELD B
MONITORING NETWORK**
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