



PUPP UPDATE

February 2012



Pilbara Underground Power Project

The project commenced in Karratha in October 2010. Work is now well underway with installation progressing in Bulgarra and Millars Well. Several streets in Karratha have been completed and dismantling of the old overhead powerlines has now commenced. While originally planned for completion during 2012, there have been some delays and it is now estimated that Karratha and Roebourne will be completed in early 2013.

A transformational project of this size, implemented in the State's most significant economic region is not without its challenges. The project has experienced delays resulting from:

- The ground conditions, including some of the hardest rock in Australia, being difficult to drill and excavate. This has resulted in unforeseen machinery breakdowns and associated time delays.
- Resourcing, cost and retention issues associated with many large projects currently being undertaken in the Pilbara.
- A very active cyclone season at the beginning of 2011.

Since the commencement of the project, there have been a number of lessons learned. As a result, new processes which will continue to improve the rate of progress of the project have been implemented. For example, alternate methods of excavation are currently being considered to address issues associated with the adverse ground conditions.

The delays in this project for the reasons outlined above have impacted on our ability to quantify and communicate the exact cost of the finalised project and the required contribution from ratepayers.

To keep you informed on the progress of the project, we will be sending additional correspondence to you in the coming weeks.



Information on the project is available at Horizon Power's website www.horizonpower.com.au or by calling (08) 9159 7250.

For information on the ratepayer contribution to the project please contact the Shire of Roebourne on (08) 9186 8555.

