



Walker Corporation

Walker Corporation Pty Limited
ABN 95 001 176 263

GPO Box 4073
Sydney NSW 2001
Australia

Level 21, Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000
Australia

Telephone +61 2 8273 9508
Facsimile +61 2 9252 6388

www.walkercorp.com.au

Legal DX 10129 Sydney Stock Exchange

19 June 2012

The Secretary
Department of Justice
PO Box 825
HOART TAS 7001

JC01844
SEC 038765

Attention: Mr Michael Stevens
By e-mail: michael.stevens@justice.tas.gov.au

"WITHOUT PREJUDICE"

Dear Secretary

I refer to your letter dated 18 May 2012. We have now had the opportunity of reviewing the relevant documents, and of ascertaining the relevant facts.

Walker Corporation Pty Limited ("Walker") does not accept that it has any obligation, legal or otherwise, to pay to the Tasmanian Government ("the Government") the sum of \$721,000 or any part of that amount, and does not intend to do so.

To the extent that Walker made any kind of 'commitment' to the meet the cost of the RPDC assessment process, it did so in the mistaken belief that it was legally obliged to meet these costs. It was not until the process had been substantially completed that Walker was advised that it had been, and remained, under no such obligation.

However, Walker's principal objection to paying for any part of the assessment process is that its 'commitment' was founded upon the expectation that the process would be conducted impartially and in accordance with the rules of natural justice, and that the Commission would reach its conclusions, and formulate its recommendations, upon a fair examination of the evidence placed before it. None of these things occurred, and the Draft Integrated Assessment Report was gravely flawed.

In these circumstances, where there was a total failure of consideration for Walker's 'commitment', Walker proposes that it will forbear from bringing proceedings against the Government to recover the sum of \$386,000 already paid by it, that the Government forbears from bringing proceedings against Walker to recover the sum of \$721,000, and that each party releases the other from any further liability in respect of the assessment process.

If this proposal is acceptable to the Government, I will prepare and send to you a draft deed of release for your consideration. If proceedings are brought against Walker, they will be defended and a cross-claim will be filed and pursued.

For completeness, Walker does not believe that there would be any purpose to be served by any further discussion about these matters.

I look forward to hearing from you.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Ian Grist', written in a cursive style.

Ian Grist
Legal Counsel
Direct line [REDACTED]