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22nd April, 1994

Our Ref:
Your Ref:

GOOLWA SA, 5214

Dear

Re: Hindmarsh Island Bridge

We act for the Directors of Binalong Pty. Ltd.

As you would be aware -

- * there is a contract between Binalong and the Minister for Transport under which the Minister must build a bridge to Hindmarsh Island
- * for the purposes of carrying out this contractual obligation to Binalong, the Minister has a contract with Built Environs Pty. Ltd. for it to build the bridge and
- * the Minister is now proposing that Built Environs Pty. Ltd. proceed with work to construct the bridge adjacent to the location of the existing ferry to Hindmarsh Island.

Binalong also has agreement-in-principle with the Minister for her to construct a water main attached to the bridge, and supply water via the main to Binalong.

We are instructed that our clients have identified you as a person who has been involved in attempts to stop bridge work.

On our instructions:

1. Your past actions give Binalong a claim against you for interference in contractual relations, inducing breach of contract, and unlawful interference with trade.
2. By your conduct, and the conduct of others similarly involved, you have already caused Binalong enormous losses.

The delays in the construction of the bridge have cost Binalong millions of dollars. This principally comprises extra finance costs and lost sales revenue.

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3. If the bridge is not built, Binalong will suffer further loss, namely -
- * the loss of \$32m being the current projected profit to be earned on future development of Binalong's marina and
 - * a loss, probably exceeding \$15m, in the finance costs incurred by Binalong but not recouped.
4. This conduct of yourself and others has also resulted in Binalong being put into receivership. This may result in the development being sold at a "fire sale" price.

You will appreciate that, if this occurs, Binalong will have claims of the magnitude referred to above even if the bridge is built.

We will be in further contact with you regarding the matters raised in this letter.

In the meantime, our clients reserve all their rights.

Yours faithfully,
MICHELL SILLAR LYNCH & MEYER

Per:

Steve Palyga

