



PUBLIC REPORT TEMPLATE

Controlling Corporation

Kalari Pty Ltd

Period to which this report relates

Start 1st Jan 09

End 30th June 09

Part 1 – Information on assessments completed to date

Table 1.1 – Description of the way in which the Corporate Group (or part of it) has carried out its assessments

Kalari chose to report on six months of the EEO program to enable an alignment with reporting obligations under the NGER Act. As a national transport network, our EEO assessment conducted through 2008 spanned all operations, and the intent and key requirements were met across the business in the previous reporting period, and this ensuing report provides an update on opportunities outlined in the first report. No new opportunities were identified during the 6 month period, but several have progressed and developed.

As outlined in our previous public report our approach to improving our energy efficiency is currently being tackled on 3 fronts i.e.:-

- Technology (engine technology and alternative fuels)
- People (training and information)
- Innovative transport solutions (including new trailer designs)

That is, we have asked ourselves the questions: what emerging engine technology and alternative fuels would be suitable for our business? How can we work with our people to promote fuel efficient attitudes, behaviour and practices? And how can we be innovative in the way we transport client's products and how can we change the traditional way in which we operate? The three opportunities listed in Part 2 of this report come from each of these three fronts.

The biggest remaining challenge for our energy efficiency program is the development of dynamic energy intensity metrics that allow us to drill down and understand our energy intensity on a micro level. This is an ongoing challenge that should see marked improvement during 2010.



Table 1.2 – Energy use assessed		
Group member and/or business unit and/or key activity and/or site that has had an assessment completed by the end of this reporting period.	Period over which assessment was undertaken¹	Energy use per annum in GJ² in the current reporting year
Kalari Pty Ltd	Jan 09 to June 09	1,142,969
Total energy assessed		1,142,969
Total energy use of the group in the current reporting year		1,142,969
Total energy assessed expressed as a percentage of total current energy use		100%

1. This should be the start and finish date (month and year) for the assessment (planned assessment dates were nominated in Table 3.1 of the approved ARS).
2. Energy Bandwidth may only be used if approved in the Assessment and Reporting Schedule.

Part 1 – Information on assessments completed to date (continued)

Table 1.3 – Accuracy of energy use data		
Entity	% achieved	Reasons for not achieving data accuracy to within ±5%
Kalari Pty Ltd	±5%	



Part 2 - Energy Efficiency Opportunities that have been identified and evaluated

Part 2B - Update of assessments originally reported in previous reporting periods

Name of Group member or business unit or key activity or site: Kalari Pty Ltd

Energy use of the entity during the current reporting period

1,142,969	GJ
-----------	----

Table 2.3 - Opportunities assessed to an accuracy of $\pm 30\%$ or better

Status of opportunities identified		Number of opportunities	Estimated energy savings per annum by payback period (GJ)			Total estimated energy savings per annum (GJ)
			0 – < 2 years	2 – ≤ 4 years	> 4 years	
Outcomes of assessment*	Total Identified	10	75899.414	-7200		68699.414
	Business Response*					
	Under Investigation	4	44542.5	-7000		37542.5
	To be Implemented					
	Implementation Commenced	2	12088.709			12088.709
	Implemented	1		-200		-200
	Not to be Implemented	3	19268.205			19268.205

Part 2 - Energy Efficiency Opportunities that have been identified and evaluated

Part 2C - Details of at least three significant opportunities found through EEO assessments

Table 2.5 – Description of 3 significant opportunities

Opportunity 1

As well as experimenting with various alternative fuels such as biodiesel and LPG, Kalari is the proud new owner of Australia’s first custom built prime mover with an LNG fuel system. As a low carbon fuel, Liquefied Natural Gas (LNG) has received much attention in recent times. The transport industry has experimented with various LNG retrofits, but in an Australian first, the LNG system has been installed on the production line at time of manufacture by Kenworth, rather than after sale refit. In this fuel system, the substitution rate is 95% LNG to 5 % diesel, which brings about significant savings in both fuel and emissions. As LNG has less than half the carbon content as Diesel, we expect a very significant emissions savings.

While the LNG engine results in a slightly higher energy consumption (measured in GJ) is produces less emissions (Carbon and particulate) and results in lower fuel consumption.

Opportunity 2

As part of the launch of Kalari’s new driver simulator, we are developing a special “Drive Green” training module to assist drivers in improving fuel efficiency through a host of different driving techniques. Fuel efficiency is affected by a whole host of factors, and many of them are under the control of the driver. The transport industry recognises that driver behaviour can have a big impact on fuel efficiency – there can be up to 30% difference! Initial trails indicate that Drive Green Training integrated with our Driver Simulator can assist our drivers achieve an improvement of over 10%, with the average improvement being 5%

Opportunity 3

Kalari continued to pursue its case for Performance-Based Standards (PBS) acceptance for its 25 m B-triple combination for its mineral sands contract. PBS allows greater flexibility for vehicle operators, designers and manufacturers in meeting regulatory requirements, while the standards directly protect safety, infrastructure and traffic flow, the acceptance of the design will allow Kalari to reduce the total number of prime movers operating on the contract by at least 2 which would equate to 2,180 x 180 kilometre round trips from the separation plant to the mine or the equivalent 392,000 km per year. Unfortunately, Kalari have abandoned this project as it has been unable to obtain approval from the Victorian Government Authorities.



Part 3 - Voluntary Contextual Information

Table 3.1 – Contextual Information

--

Part 4 - Declaration

Table 4.1 - Declaration of accuracy and compliance (mandatory information)

The information included in this report has been reviewed and noted by the board of directors and is to the best of my knowledge, correct and in accordance with the *Energy Efficiency Opportunities Act 2006* and *Energy Efficiency Opportunities Regulations 2006*.

Greg Stevenson - Managing Director

Date 23 /12/2009