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Independent Market Report on Radiata Pine

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The Directors

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Dear Sirs,

INDEPENDENT MARKET REPORT

This Independent Market Report has been prepared by Pöyry Forest Industry Pty Ltd (Pöyry) for Stanford Finance Australia Limited and AgriWealth Pty Limited (the Project Manager) for inclusion in the Information Memorandum (IM) for the 31 March 2007 Radiata Pine Project (the Project). Its purpose is to assist investors to assess the price outlook for the softwood plantation products likely to arise from the Project. Pöyry is independent of the Project Manager and has no financial interest in the Project other than a professional fee for this report.

EXECUTIVE SUMMARY

Growers in the Project will produce radiata pine logs in the key plantation growing and timber processing region of Tumut-Tumbarumba in New South Wales (NSW). Major product types are sawlogs, used primarily to produce sawn timber for construction and packaging, and pulplogs for use in the production of pulp for paper products and reconstituted wood panels. There is high demand for pulpwood in this region and in order to secure the required resources, log specifications may be loosened, for example smaller logs may be accepted. This would increase merchantable volume yields for plantation growers. Export of the Project's logs is unlikely given the haulage distance to port and the strong regional demand.

Forests NSW will be appointed as the forestry services provider to assist the Project Manager in selling timber arising from the Project. Forests NSW is the largest timber supplier in NSW and has long-term contractual arrangements with key industry participants. Hence, Forests NSW is in a good position to provide market access to regional processing centres. The proposed contractual marketing arrangements for the Project have not been reviewed for this report.

The outlook for softwood1 sawn timber is driven by construction activity and is assessed as steady in the medium to long term. There are large, modern sawmills in the region that can be expected to seek to maintain throughput to keep production costs low. Sawmills in this region are able to cost effectively supply the large domestic markets of Sydney and Melbourne.

Pulp mill expansions are planned in the region over the next five years and there is scope for import substitution in some paper product sectors. Therefore, it is anticipated that there will be increasing demand for pulp logs in the region in the medium term, remaining at least steady thereafter.

1. *The term 'softwood' here refers to wood from coniferous tree species such as pine species including Pinus radiata (radiata pine).*

The Australian forest products industry is predominantly characterised by long term log supply contracts and, as a result, details of individual log sales transactions are not publicly available. This makes it difficult to identify market log prices. Table S-1 details the national average softwood stumpage prices reported in the Australian Pine Log Price Index (APLPI). Stumpage prices (i.e., the delivered prices less the costs of harvesting and transport to the mill or port gate) are given by log grade.

Table S-1:
Average weighted softwood sawlog stumpage prices reported by the APLPI

Sawlog Diameter Class (small end diameter under bark)	APLPI weighted average AUD/m3 (Jan-Jun 2006)
Small Sawlog < 24.0 cm	$34.60
Intermediate Sawlog 23.9 to 32.0 cm	$47.16
Medium sawlog 31.9 to 44.0 cm	$66.52
Large sawlog > 43.9 cm	$80.39
Salvage Log	$24.58
Preservation	$23.37
Pulp Log	$10.02

Source: BRS National Plantation Inventory 2006

1. INTRODUCTION

This Independent Market Report has been prepared by Pöyry for inclusion in the AgriWealth 31 March 2007 Radiata Pine Project (the Project) IM. Its purpose is to assist investors to assess the price outlook for the softwood plantation products likely to arise from the Project.

Pöyry is a global consulting and engineering firm focusing on the energy, forest industry, infrastructure and environment sectors. Pöyry's Forest Industry business group is a global market leader in the sector. It provides consulting services to the forest industry sector and engineering, project implementation and maintenance engineering services for wood processing facilities. Pöyry has staff dedicated to the monitoring and reporting of the wood and wood products markets in Australasia.

This report provides an overview of the log types typically produced from radiata pine plantations in southern Australia and the current markets and prices for them, with an emphasis on the Tumut-Tumbarumba region of NSW. Past log price series are also given.

Actual sale prices at the time the Project plantations are harvested may be significantly above or below the current prices given in this report. The opinions expressed are within the context of the forest industry which has similar inherent risks as other forms of land based primary production, and a long investment period. These risks may be material to the expected outcomes.

Pöyry notes that it is proposed that the large state grower Forests NSW will have responsibility for the marketing of the logs arising from the Project. The proposed marketing arrangements have not been reviewed as part of this report.

2. OVERVIEW OF THE AUSTRALIAN SOFTWOOD PLANTATION SECTOR

2.1 Plantation establishment

Australia has around 1.74 million ha of plantation forests, as at 2005 (Bureau of Rural Sciences – BRS, 2006). Softwood plantations account for more than half the national estate (nearly 1 million ha in 2005) with hardwood plantations accounting for the remaining area. Softwood plantations are mainly Pinus species, of which approximately 75% is Pinus radiata (radiata pine).

Government investment led to the rapid expansion of the softwood plantation area from 1950 to 1980. The softwood plantation industry is now in a mature phase of development with the area of new land being established in softwood plantations approximately balancing the area of existing softwood plantations moving to other land uses after harvest. Almost all of the softwood plantations are managed to produce both sawlogs (used to produce sawn timber) and pulplogs (used to produce pulp which is processed further into paper products and panel products).

In contrast, most of the hardwood plantations have been established during the last 10 years on short rotations to produce pulpwood only. Most of the plantations are Eucalyptus species and are currently almost entirely exported as woodchips.

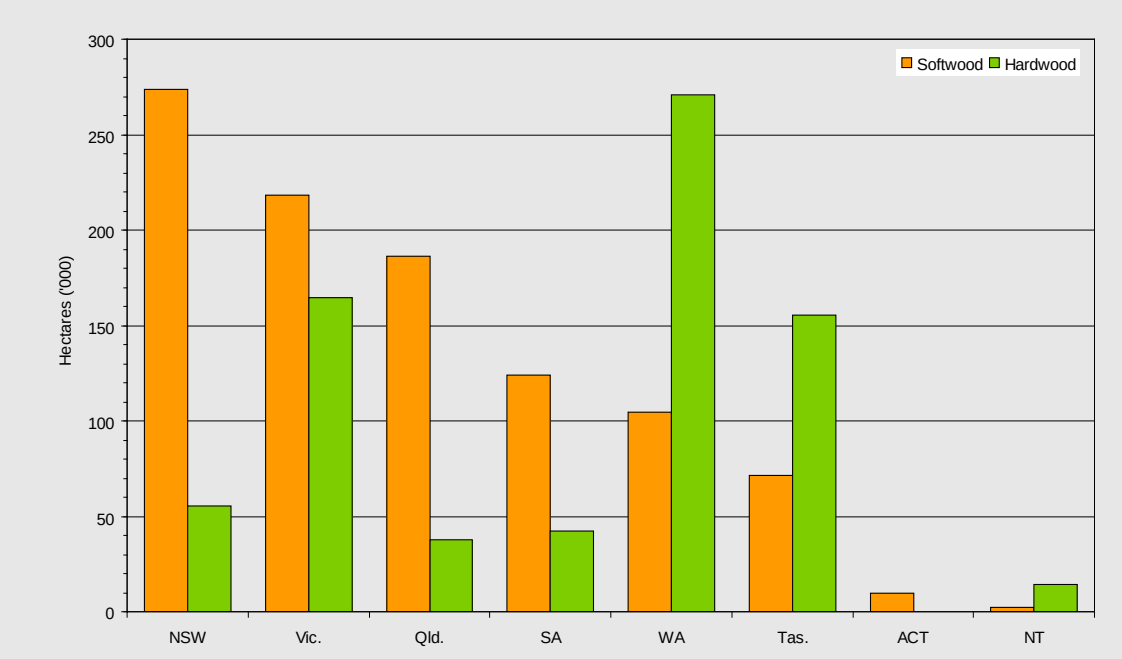
Plantation ownership is becoming more diverse and includes managed investment scheme (MIS) investors, farm foresters, other private owners, superannuation funds and timber industry companies. However, with the exception of Victoria and Tasmania, where the softwood resources have been privatised, and the Northern Territory, governments are still the major owners of softwood plantations. Superannuation funds own more than 200 000 ha of softwood plantations in NSW, Victoria and Tasmania.

Figure 2-1 shows that by state, NSW has the largest percentage of softwood plantations at approximately 28%, followed by Victoria (22%) and Queensland (19%).

Approximately 27 million m3 of logs were harvested in 2005/06, of which 53% were from softwood plantations (see Figure 2-2). The volume of softwood harvested from plantations has increased at an average of 5%/a from approximately 8.7 million m3 in 1995/96 to 14.4 million m3 in 2005/06. It is expected to stabilise around current levels. Comparatively, volumes harvested from native forest between 1995/96 and 2005/06 have averaged around 10 million m3/a, 3.5 million m3/a of which were hardwood logs.

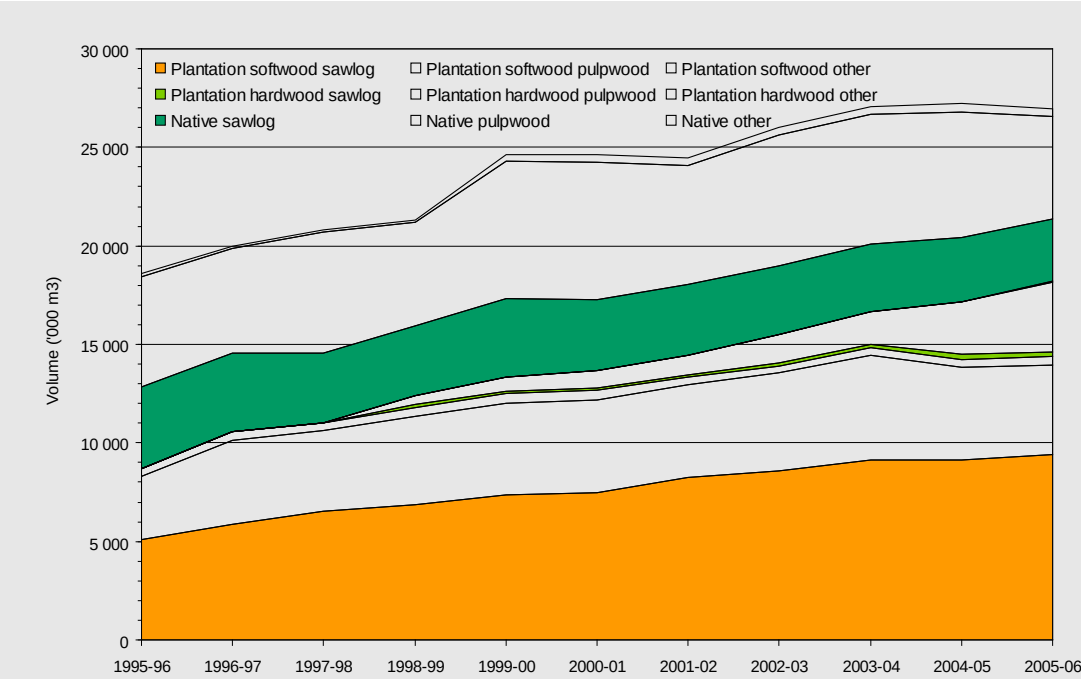
The plantation softwood sawlog volume was approximately 9.4 million m3 in 2005/06 and accounted for approximately 73% of the total sawlogs harvested that year. Pulpwood harvested from softwood plantations in 2005/06 was approximately 4.6 million m3. Other softwood log product types accounted for approximately 400 000 m3 (Australian Bureau of Agriculture and Resource Economics – ABARE, 2006).

Figure 2-1:
Australia's plantation area by State, 2005



Source: BRS National Plantation Inventory 2006

Figure 2-2:
Harvest volumes, 1995-2005



Source: ABARE, Pöyry Forest Industry

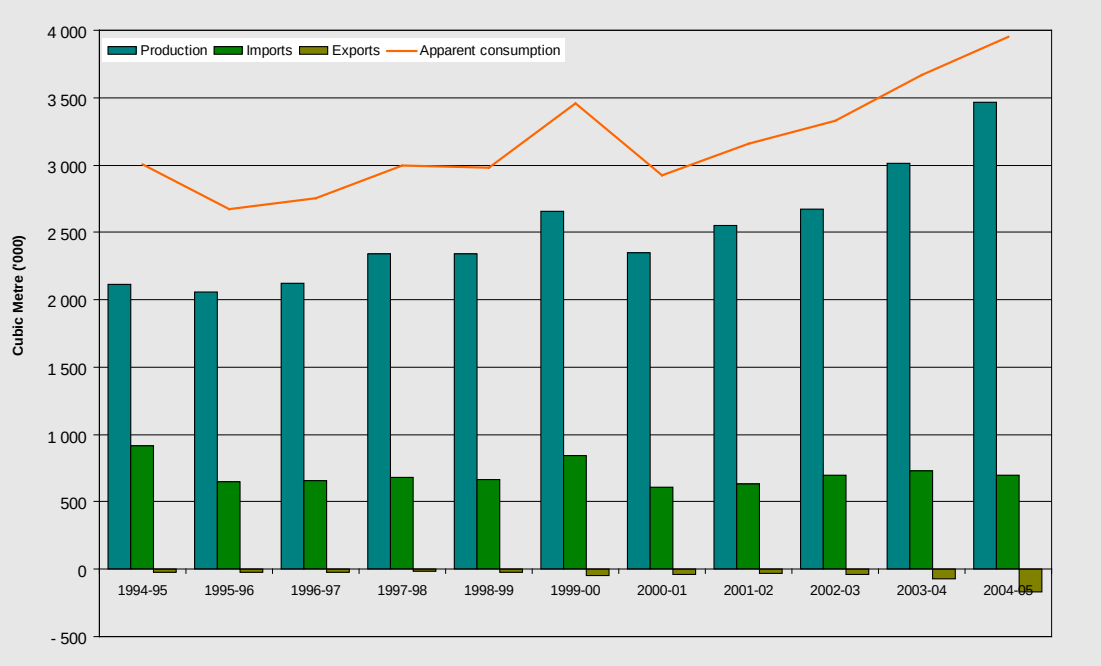
2.2 DOMESTIC SOFTWOOD CONSUMPTION

Softwood plantation sawlogs are used to make sawn timber for building and construction. In some regions, large straight sawlogs can be peeled or sliced for veneers for plywood. Pulpwood logs are smaller and/or less straight logs that are chipped and processed into wood-based panels and pulp for a wide range of paper products. In some regions, there are preservation markets where generally small straight logs are processed into posts and other landscaping products.

2.2.1 SAWN TIMBER CONSUMPTION

The volume of softwood sawn timber produced in Australia has increased significantly as has consumption (see Figure 2-3). Since 1994/95 production has grown from approximately 2.1 million m3 to 3.5 million m3 in 2004/05 at an average of 5.4%/a. Apparent consumption of softwood sawn timber has mirrored this trend, increasing steadily for more than a decade at an average of 3.2%/a.

Figure 2-3:
Apparent domestic consumption of softwood sawn timber



Source: ABARE

Sawn timber imports have been fairly consistent over the last decade, at around 700 000 m3/a.

New Zealand's supply of radiata pine sawlogs will increase significantly over the next 10 years, stabilising or possibly declining slightly thereafter. The New Zealand forest industry views Australia as a potential growth market for its competitively priced softwood sawn timber. However, the characteristics of the New Zealand product are different, making it best suited for non-structural uses. Structural sawn timber produced in the Tumut-Tumbarumba region is likely to remain competitive in the nearby Melbourne and Sydney markets.

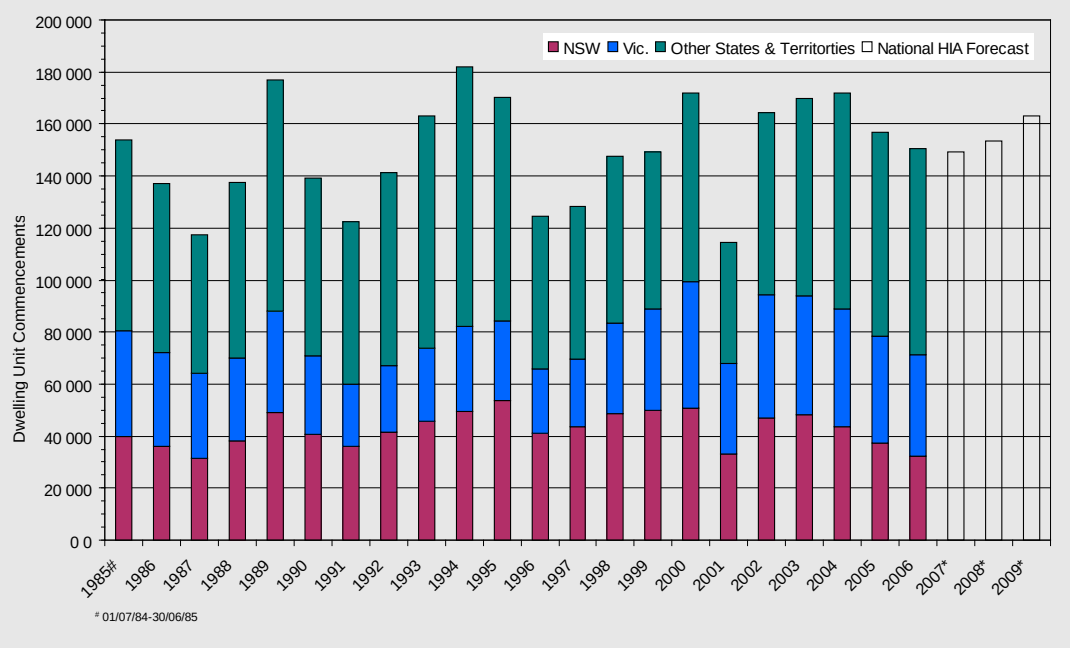
Sawn timber exports have traditionally been low as Australia has used the majority of production domestically. While exports in 2005/06 were less than 5% of production, sawn timber exports have grown to 165 000 m3 from 26 000 m3 in 1994/95. With the softwood plantations in a mature phase of development, the annual sawlog harvest is expected to stabilise at around 10 million m3, with exports remaining relatively constant.

Softwood sawn timber market

The major use for softwood sawn timber in Australia is in house construction, alterations and additions. Consequently, softwood sawn timber demand is closely correlated with construction activity such as dwelling commencements. The growth in domestic softwood sawn timber consumption has largely been at the expense of the hardwood sawnwood market. Major softwood timber processors with modern mills are able to produce sawnwood timber more cost efficiently in a market where supply of timber from native forests is declining, and higher value end-uses are sought for harvested native sawlogs.

Macroeconomic trends remain stable, supporting good levels of business investment and consumer confidence. Renovations, alterations and additions, non-residential building and engineering construction are offsetting to some extent the short-term slowdown in new house starts. Continued population growth boosted by higher business migration, a longer-term trend of declining household size and continued government support to first home buyers all lend support to stable housing demand.

Figure 2-4:
National dwelling unit commencements (houses and units)



Source: HIA 2006

2.2.2 DOMESTIC PULPWOOD CONSUMPTION

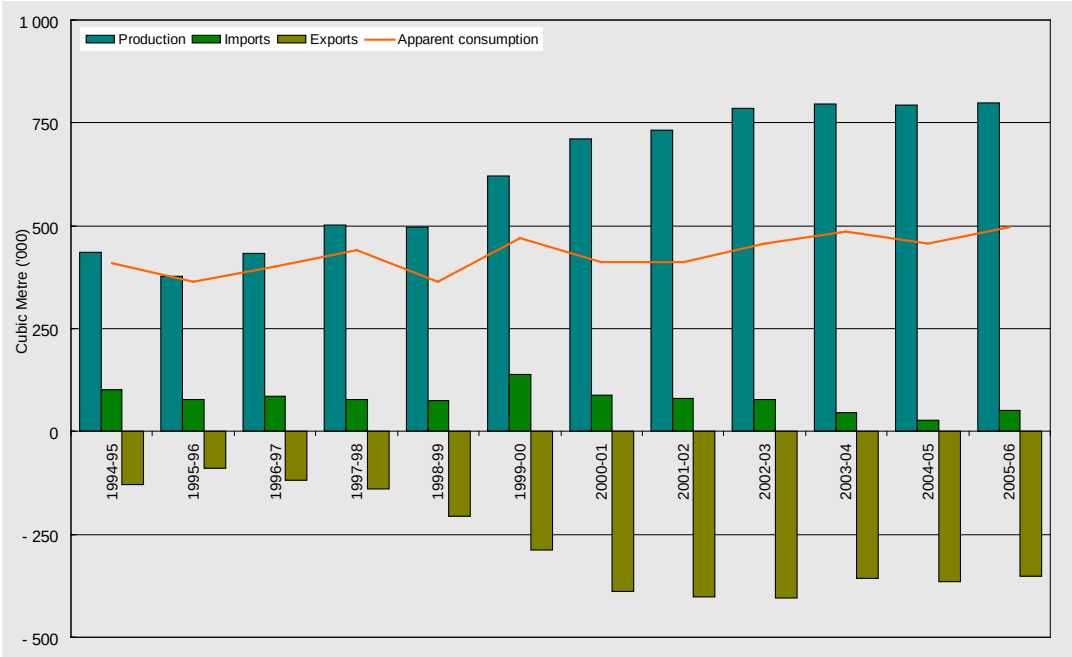
Softwood pulpwood logs are primarily used in the production of wood panels (medium density fibre board (MDF) and particleboard) and in the production of pulp and paper products including newsprint, tissue and packaging

Over the past decade, there has been an increase in processing capacity in the wood products industry which has levelled out since 2004/05.

Apparent consumption of MDF has increased over the last decade to around 500 000 m^3 in 2005/06 (see Figure 2-5). Processing production has increased at an average of 6.1%/a since 1994/95, almost doubling the national production volume. Much of this extra volume is exported. Capacity has only increased slightly in the last three years and the recent closure of the Carter Holt Harvey mill in Bell Bay, Tasmania is expected to reduce production in 2006/07 easing pressure to find export markets.

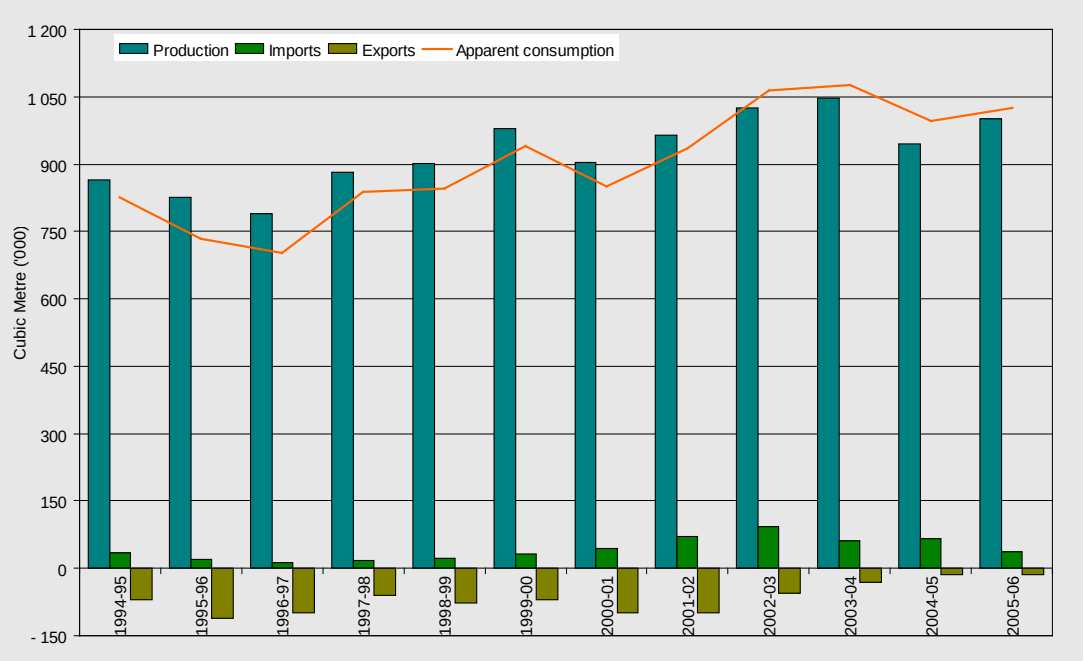
Annual production of particleboard has also grown over the last decade, to around 1 million m^3 (see Figure 2-6). Apparent consumption has increased at an average of 2.4%/a with demand surpassing production from 2002/03.

Figure 2-5:
Apparent domestic consumption of medium density fibreboard (MDF)



Source: ABARE

Figure 2-6:
Apparent domestic consumption of particleboard



Source: ABARE

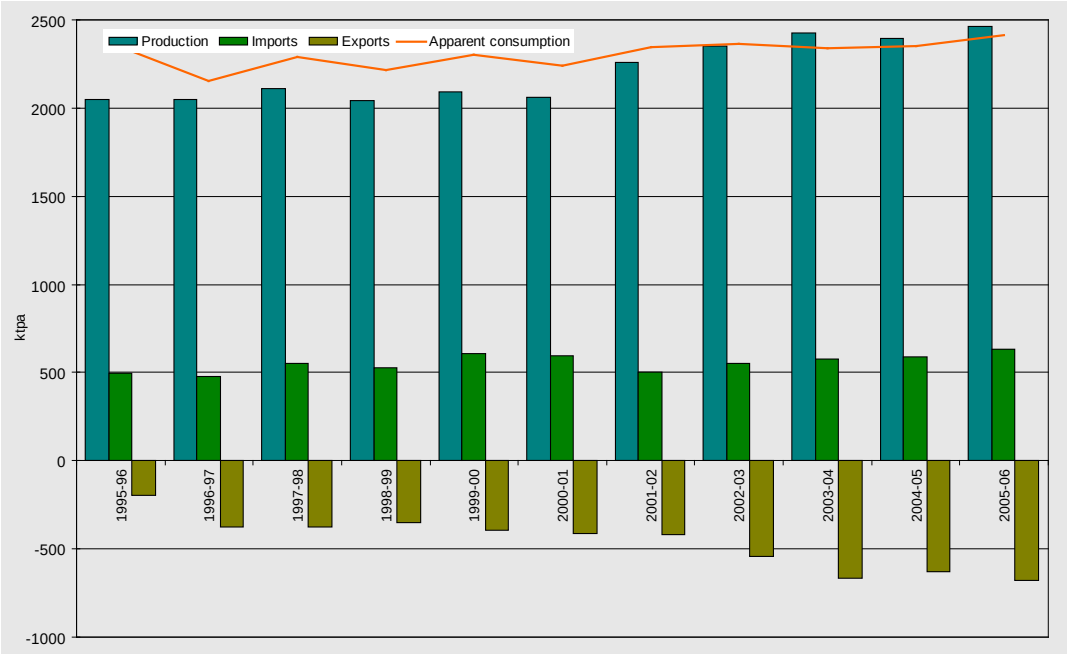
There has been an increase in the production and consumption of paper products utilising softwood pulpwood in Australia. Of these paper products, paper packaging and paperboard contributed to 75% of total production2 and made up two thirds of apparent consumption in 2005/06. Newsprint production and consumption accounted for 17% and 30% respectively, and tissue production and consumption 9% and 10% respectively. Figure 2-7 shows the production and consumption of paper products that use significant proportions of softwood fibre.

Demand for softwood pulpwood has grown over the past decade with expansion in production capacity of packaging and paperboard at Visy's Tumut mill in 2001. Demand for packaging and paperboard products is growing slowly, and it is the only pulp and paper sector where local production exceeds apparent consumption, resulting in a significant proportion being exported. Visy's planned further expansion in Tumut will effectively double existing fibre requirements adding significantly to pulpwood demand in the Tumut-Tumbarumba region.

Newsprint demand is closely associated with local production which is predominantly for import replacement and mainly manufactured by Norske Skog at Boyer and Albury. Demand for newsprint has almost recovered to the levels of a decade ago while pulpwood demand from tissue producers has remained relatively stable.

2 *Pulp and paper sectors included are tissue, newsprint and paper packaging and paperboard.*

Figure 2-7:
Apparent domestic consumption of selected paper products (newsprint, tissue and packaging and paperboard)



Source: Industry Edge 2006

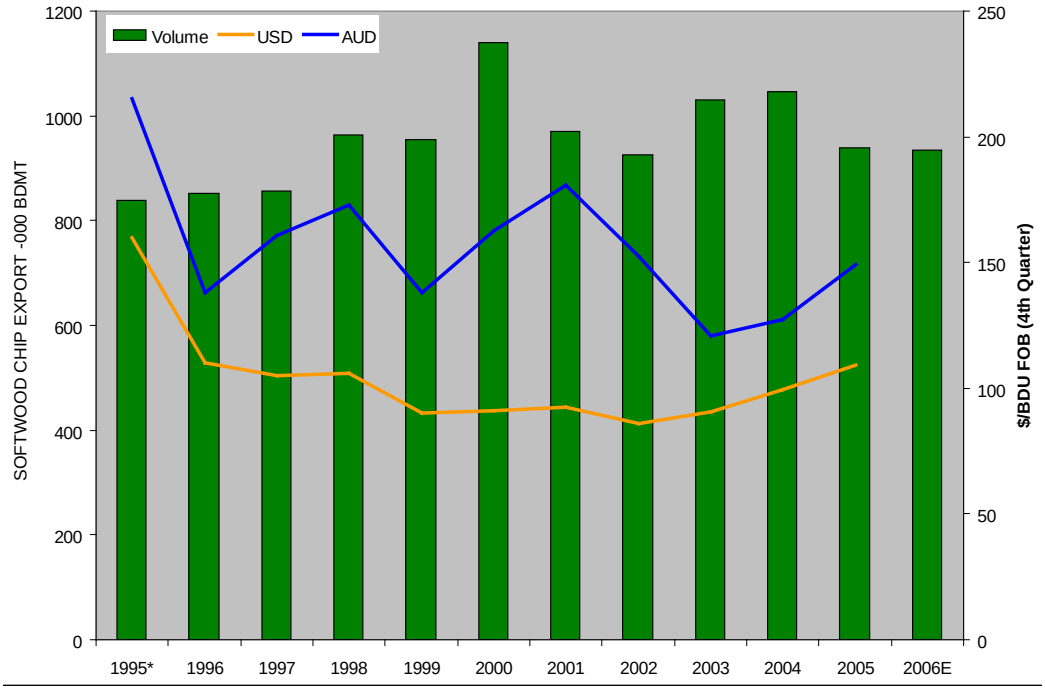
2.2.3 SOFTWOOD PULPWOOD EXPORT

Australia is one of the world's largest woodchip suppliers and Japan, which dominates the world trade in woodchips, is Australia's largest market, accepting more than 90% of Australia's exports.

Japan's total imports of softwood woodchips have declined over the past decade from approximately 3.5 million Bone Dry Metric Tonnes (BDMt) in 1995 to approximately 2.6 million BDMt in 2005. Reasons for this include a significant increase in recovered paper consumption, low growth in demand for fibre for the production of newsprint and packaging and domestic softwood woodchip prices falling below import prices. However, Australia's share of the Japanese import market has increased from approximately 25% to more than 40% during this time, largely at the expense of North America.

Softwood prices peaked in 1995 at USD160/bone dry unit (BDU) however, with the exception of 2001 when a small price gain was achieved, prices declined until 2002. In recent years, increased prices have been achieved.

Figure 2-8:
Australian woodchip export market



Source: Dana 2006, ABARE 2006, Pöyry Forest Industry

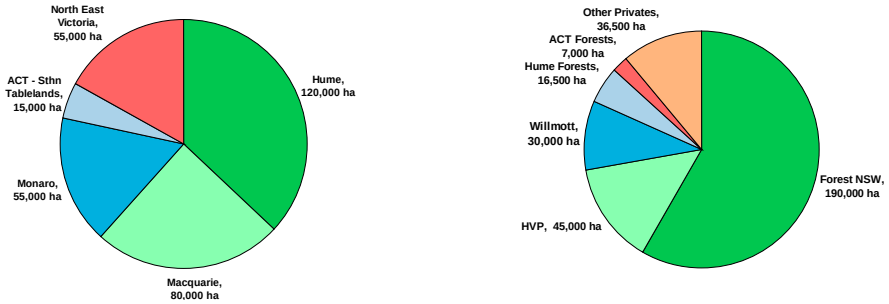
3. REGIONAL FOREST RESOURCE

3.1 *Softwood resources*

The Project Manager proposes that the plantations to be established will be located within commercial haulage distances to saw mills and pulp mills in the Tumut-Tumbarumba region of NSW.

Southern NSW and North East Victoria together have Australia's largest concentration of softwood plantations and associated processing industries. Softwood plantations were first established in the 1920s and were of significant scale from the 1950s onwards. The region has a total softwood resource of some 325 000 ha. The majority of softwood resources in the region are owned by Forests NSW followed by Hancock Victoria Plantations (HVP), Willmott Forests, Hume Forests and Murray River Forest Holdings, as shown in Figure 3-1.

Figure 3-1:
Softwood plantation areas by region (left) and ownership (right)



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The plantations have been established in five main geographical zones; namely Hume, Macquarie, Australian Capital Territory (ACT) and Southern Tablelands, Monaro and North East Victoria. The Hume region is located in the south western slopes of NSW and is centred around the towns of Tumut and Tumbarumba. This is the region targeted by the Project Manager for the Project.

The Hume Region has around 120 000 ha of softwood plantations (some 12% of the national softwood plantation estate). Around 75% is owned by Forests NSW with the remaining area being privately owned (see Table 3-1 below).

Forests NSW is very active in this area and has long-term contractual arrangements with key industry participants. They will be appointed to assist the Project Manager in selling timber from the Project including incorporating timber supply from the plantations into its own supply contracts.

Table 3-1:
Softwood plantation ownership in the Hume region in 2006[3]

Company	Area (ha)
Forests NSW – Hume region	90 000
Hume Forests and Murray River Forest Holdings	13 000
Abbeygate Afforestation	2 700
Birnam Forests	2 400
Willmott Forests	2 400
Tumba Pine	800
Other private owners	8 700
Total Softwood Area	*120 000*

3.2 Regional processing facilities

North East Victoria and the south western slopes of NSW make up the largest Pinus radiata growing and processing region in Australia.

The major softwood processing operations within reasonable haulage distance of the proposed Project plantations are located at Tumut-Tumbarumba and Albury, as shown in Figure 3-2. Wood from the Hume region also flows across the border into Victoria where major processing facilities are located at Myrtleford, Wangaratta and Benalla.

The major processing operations around the Tumut-Tumbarumba region are detailed in Table 3-2 below. These facilities process a range of sawlog, veneer log and pulplog products.

In NSW, at full operating capacity these processing facilities have the combined potential to process approximately 3.8 million m3 of softwood. The facilities located in North East Victoria add approximately 900 000 m3 of additional capacity.

Approximately 45% of the softwood processing capacity around the Tumut-Tumbarumba region of NSW is for pulpwood. Softwood from the Hume region is currently the main source of supply for the Visy pulp mill. Visy is planning a significant expansion of the Tumut integrated pulp and kraftliner mill that will effectively double the mill's existing resource requirements. In addition, Norske Skog, Albury has plans to increase capacity of its newsprint mill by 25%.

3 This report was prepared during the 2006/07 fire season. The full impact of ongoing fire losses on future log supply will only be known towards the end of the season but it is believed to be significant. This, combined with pulping capacity expansion plans at Visy (Tumut) and Norske Skog (Albury), may create a potential market upside for new investors.

Figure 3-2:
Major existing softwood processing facilities relevant to the Project

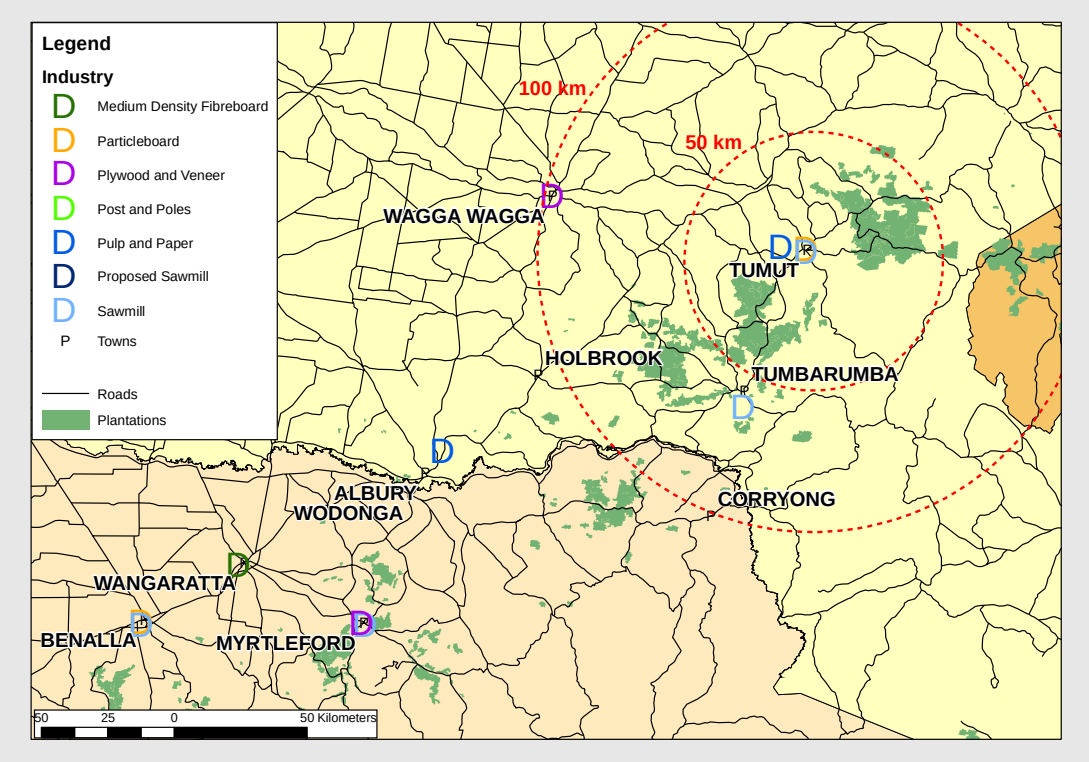

Table 3-2:
Key softwood processing operations

Processing Owner	Mill Type	Mill Location
NSW		
Weyerhaeuser	sawmill	Tumut
Hyne and Son	sawmill	Tumbarumba Holbrook
Carter Holt Harvey	particleboard	Tumut
Ausply	veneer/plywood	Wagga Wagga
Visy	pulp and paper	Tumut
Norske Skog	pulp and paper	Albury
Victoria		
Carter Holt Harvey	sawmill	Myrtleford
Carter Holt Harvey	veneer/plywood	Myrtleford
Alpine MDF	medium density fibreboard	Wangaratta
D.R. Hendersons	particleboard	Benalla
D.R. Hendersons	sawmill	Benalla

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There is high demand for pulpwood in the Tumut-Tumbarumba region and, with the planned expansions, future supply of softwood fibre is tight, even when increased residues from sawmill capacity expansion are considered. In order to secure the required resources, log specifications may be loosened, for example smaller logs may be accepted. This would increase merchantable volume yields for plantation growers.

Therefore, the Project plantations are well placed to take advantage of the strong market demand that would result if the proposed pulp mill expansions proceed.

The region is also well placed in terms of access to the major timber markets of Sydney and Melbourne and their rapidly growing surrounding regions. The demand for sawlogs is dependent upon sawmill production, market demands and resource availability. Recent experience in the currently depressed house construction market indicates that the major sawmillers (Hyne & Son and Weyerhaeuser) intend to maintain production at high throughput levels to achieve low production costs.

Weyerhaeuser has recently lodged a development application to expand log intake to 650 000 m3/a, and this is likely to occur before 2015. Hyne and Son own two sawmilling facilities in the Hume region at Tumbarumba and Holbrook. The Tumbarumba mill has undergone a significant upgrade and capacity expansion in 2004/05. Current sawlog intake at Tumbarumba for 2006/07 is estimated at 785 000 m3/a and is forecast to increase to around 850 000 m3/a in 2009/10, and up to a potential 900 000 m3/a by 2014/15. The increase in volume from last year's intake has largely come from the closure of the Holbrook sawmill.

Export of the Project's logs is unlikely to be feasible given the haulage distance to port and the strong regional demand.

4 LOG PRICES

The Australian forest products industry is characterised by long term log supply contracts and, as a result, details of individual log sales transactions are not publicly available. This makes it difficult to identify market log prices. However, The Australian Pine Log Price Index (APLPI)[4] publication provides average stumpage prices and indices for various grades of sawlogs as sold by the key log sellers throughout Australia.

4.1 Domestic Sawlog Prices

Table 4-1 shows the most recently reported APLPI stumpages. Stumpages are the delivered log prices less the costs of harvesting and transport to the mill or wharf gate.

Table 4-1:
APLPI Jan–Jun 2006 average stumpages

	Small sawlog (<24 cm Small End Diameter)	Intermediate sawlog (24-32 cm Small End Diameter)	Medium sawlog (32-44 cm Small End Diameter)	Large sawlog (>44 cm Small End Diameter)	Weighted Average**
Average Stumpage ($/m3)	34.60	47.16	66.52	80.39	51.50
Assumed Delivered Price* ($/m3)	56.60	69.16	86.52	102.39	73.50

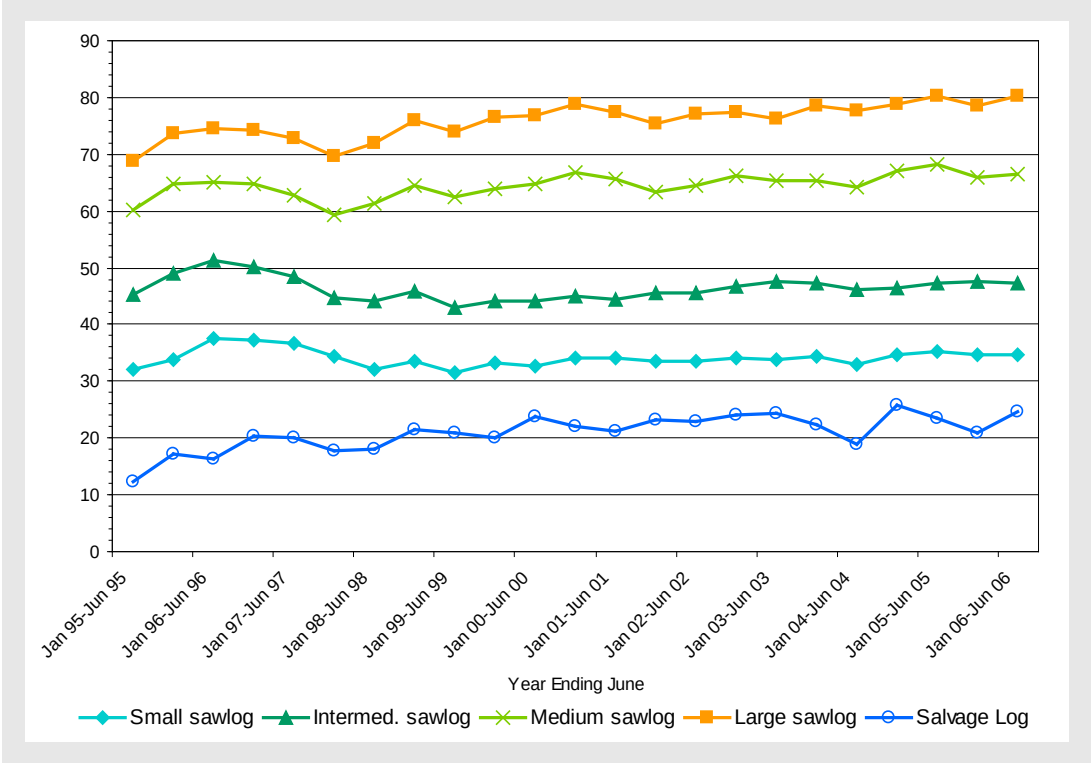
Source: KPMG Australian Pine Log Price Index (APLPI) – updated as at June 2006.
* It is assumed that the average production cost to convert stumpage to delivered price is $22/m3
** Weighted by the reported quantity of each of the four log grades

Nominal price movements since 1995 are shown in Figure 4-1 for sawlog and salvage log stumpages. From 1998, prices have been maintained or have increased slightly in nominal terms.

Pöyry conducted a benchmarking study of radiata pine sawlog delivered prices for sawmills in south-eastern Australia with 12 mill participants. The results indicated that the price of logs in nominal terms had increased for most mills since 2002. Those mills reporting decreases in the average log cost had lowered their average log size.

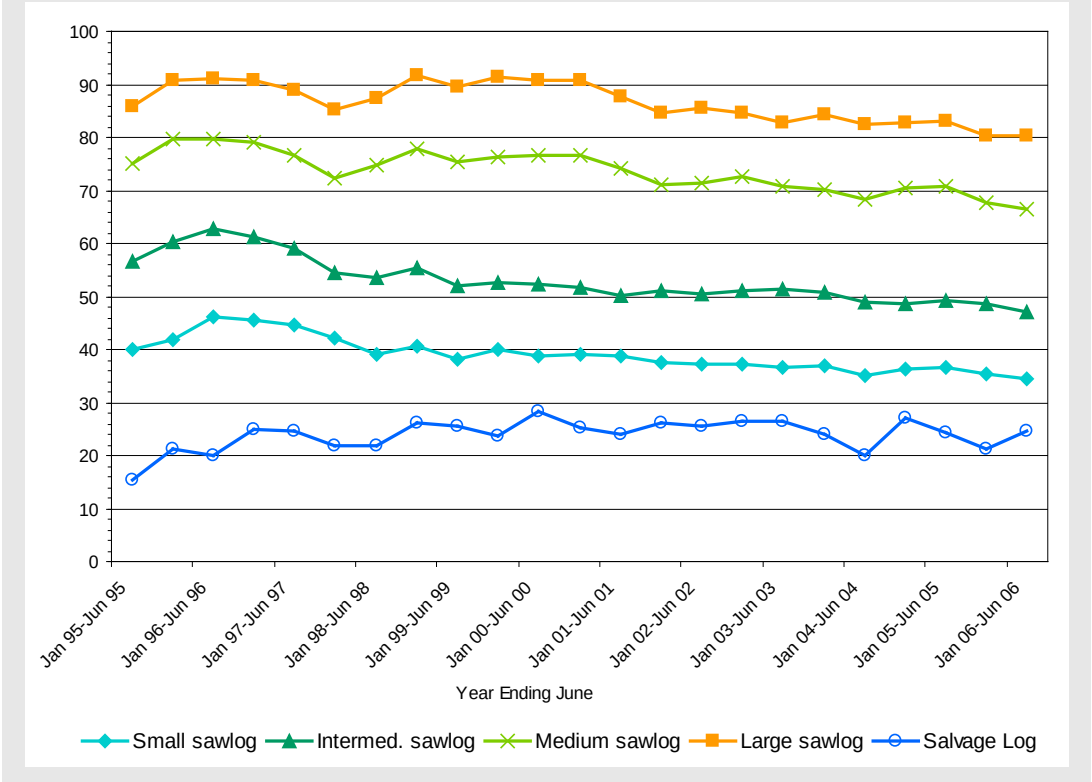
Sawlog stumpage prices in real terms (i.e. adjusted for inflation), shown in Figure 4-2, decreased over the last 10 years. Salvage log stumpages have been maintained in real terms.

Figure 4-1: Australian Pine Sawlog Prices Series, 1995-2006 (nominal)



Source: KPMG 2006

Figure 4-2: Australian Pine Log Prices Series, 1995-2006 (real 2006)

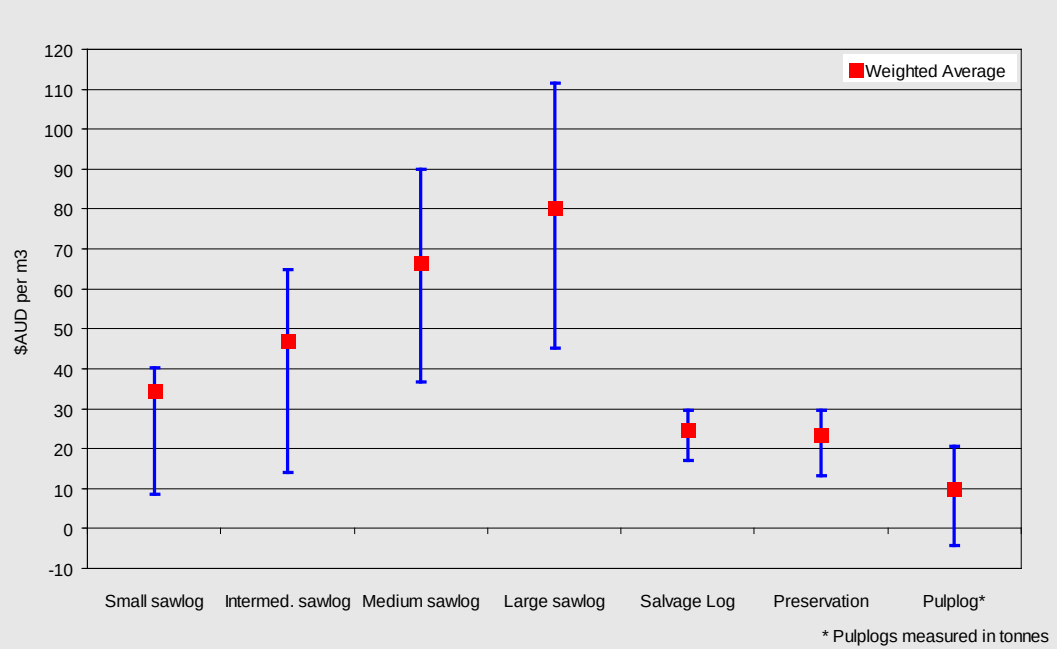


Source: KPMG 2006

Long term contracts are the most common arrangements for log sales in Australia, and there are significant internal transfer systems amongst vertically integrated companies. Prices therefore do not change significantly from year to year. Furthermore, Australia's logs sales are primarily into the domestic market, and thus do not face exchange rate fluctuations or the significant changes in demand that are encountered by some countries, such as New Zealand, that export high volumes of logs.

The average range in prices for domestic logs per size class is considerable (see Figure 4-3) and particularly evident in the large sawlog diameter class (>44 cm small end diameter under bark).

Figure 4-3:
Weighted average domestic sawlog stumpage values and current price range reported by APLPI, Jan-Jun 2006



Source: KPMG 2006

The government softwood growers are major sellers, and log sales between various other parties tend to be close to the relevant government's prices.

The Project Manager has indicated in the 2007 Information Memorandum (IM) that radiata pine investments will be made in NSW, around the Tumut-Tumbarumba region. Forests NSW is obliged to undertake reasonable efforts to realise a sale at the prevailing market prices. The average weighted softwood sawlog stumpage prices reported by the APLPI are detailed below in Table 4-2.

Table 4-2: Average weighted softwood sawlog stumpage prices reported by the APLPI

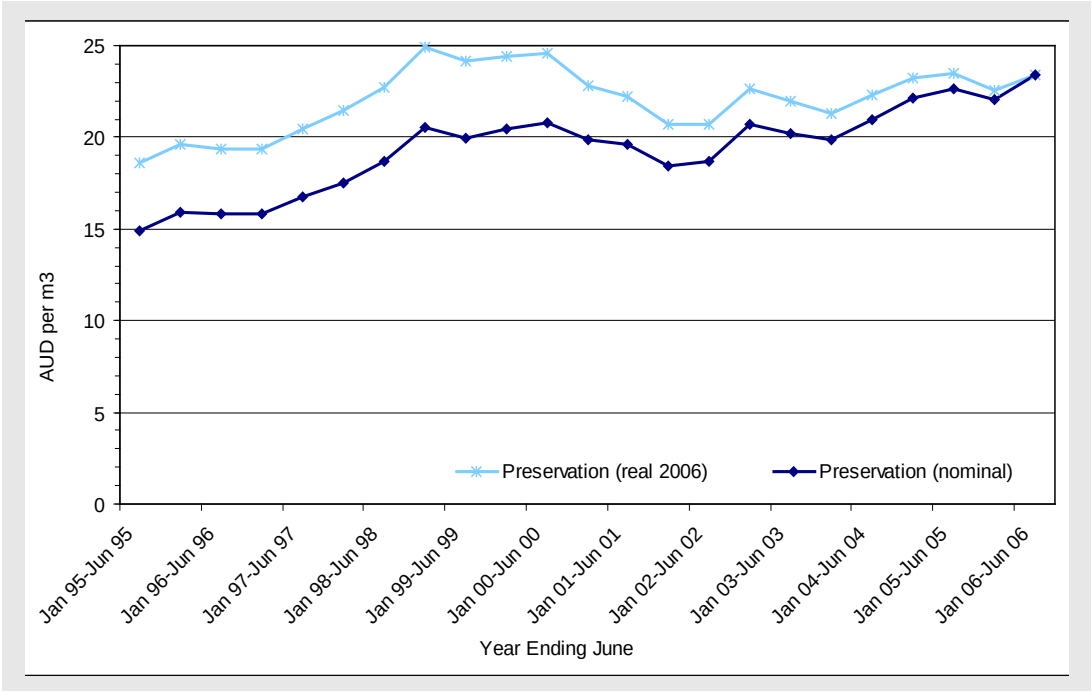
Sawlog Diameter Class (small end diameter under bark)	APLPI weighted average AUD/m3 (Jan-Jun 2006)
Small Sawlog < 24.0 cm	$34.60
Intermediate Sawlog 23.9 to 32.0 cm	$47.16
Medium sawlog 31.9 to 44.0 cm	$66.52
Large sawlog > 43.9 cm	$80.39
Salvage Log	$24.58
Preservation	$23.37
Pulp Log	$10.02

Source: KPMG 2006

4.2 Preservation Prices

Domestic treatment plants use preservation logs for products including poles, rails and posts. These logs are generally smaller, and necessarily straighter. The APLPI price series for preservation logs indicates an upward price trend in both nominal and real terms over the past 10 years, with the strong growth from 1995 to 1999 driven partly by viticulture demand. As at June 1995 the price difference between small sawlogs and preservation logs was $21.32/m3, and as at June 2006 the reported difference was almost half at $11.43/m3.

Figure 4-4: Australian Pine Preservation Log Prices Series, 1995-2006 (nominal and real 2006)

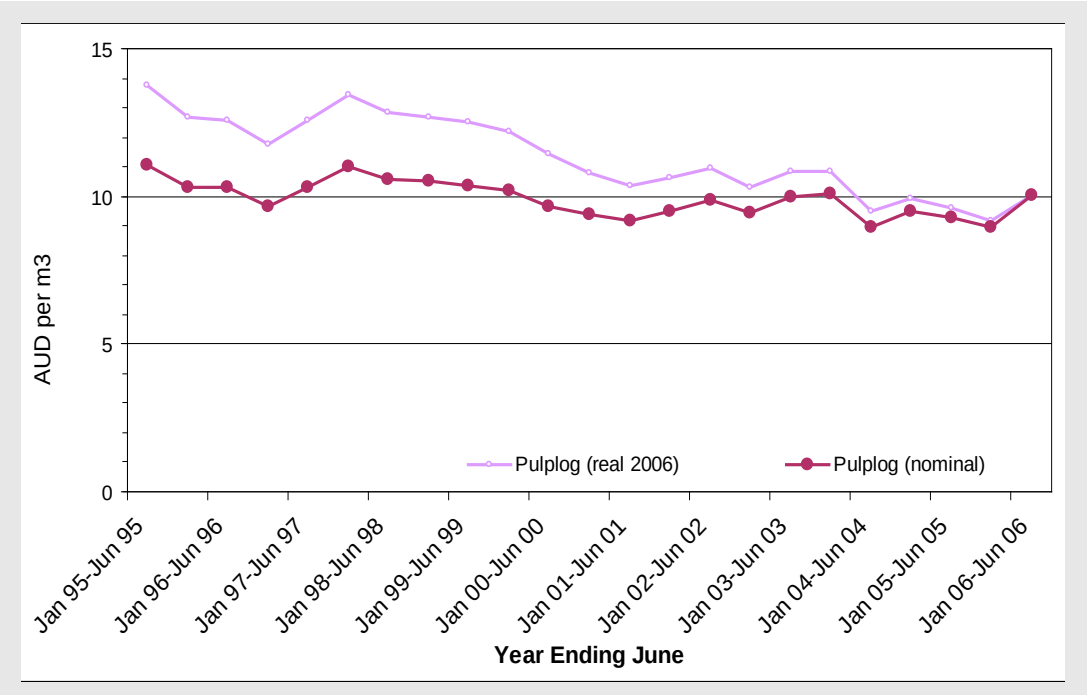


Source: KPMG 2006

4.3 Pulpwood Prices

Pulpwood prices have trended downward in the decade since 1995, although there was a small price recovery in 1996/97 as shown in Figure 4-5. June 2006 average pulpwood prices were reported at $10.02/t, approximately 12% higher than the APLPI reported for December 2005.

Figure 4-5:
Australian Pine Pulpwood Log Prices Series, 1995-2006 (nominal and real 2006)



Source: KPMG 2006

5. DISCLAIMER

Pöyry Forest Industry Pty Ltd (Pöyry) has prepared this report for Stanford Finance Australia Limited and AgriWealth Pty Limited (the Project Manager) in accordance with the scope of work outlined in its Management Consulting Agreement with the Project Manager. The Project Manager requested this report to be prepared for inclusion in an Information Memorandum (IM).

In preparing this report, Pöyry has relied on information made available by the Project Manager and Forests NSW, together with other information which is outlined in this report. Whilst this information has been checked for reasonableness and accuracy there is a range of factors that can impact on the results achieved. Neither Pöyry nor its employees responsible for the production of this report take responsibility for omissions or errors in any other matters in the IM that are not referred to in this report.

Nothing in the report is, or should be relied upon as a promise by Pöyry as to the future volumes and prices that will eventuate in the Australian softwood market. Actual sales prices at the time the Project plantations are harvested may be significantly above or below the current prices given in this report. The forest industry has similar inherent risks as other forms of land based primary production, and a long investment period. These risks may be material to the expected outcomes. Pöyry does not accept responsibility for updating the information contained in the report after the date of production.

This report should be read in full. No responsibility is accepted for use of part of this report in any other context or for any other purposes, or for use by third parties.

9.0

Independent Market Report on Radiata Pine cont.

In accordance with regulation 7.6.01(u) of the Corporations Regulations 2001, Pöyry Forest Industry Pty Ltd make the following disclosures:

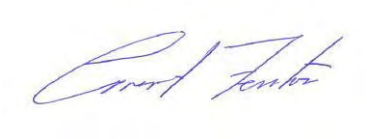
1. Pöyry has been retained by the Project Manager to provide an Independent Forester's Report and an Independent Market Report for inclusion in the IM.

2. Pöyry anticipates that further engagements in relation to the provision of forestry consulting advice may be entered into with the Project Manager on an as-required basis.

3. Pöyry does not have any direct investment in Stanford Finance Australia Limited or AgriWealth Pty Ltd or their business interests, and has no commercial interests in the financial products being offered other than as a service provider to the Project Manager.

4. Pöyry does not hold an Australian Financial Services Licence and is not operating under such a licence in providing this report.

Yours sincerely



Grant Fenton

SENIOR CONSULTANT