AgriWealth Pty Limited 2010 TIMBER PROJECT



2014-2015 Annual Report

Context

This annual report has been prepared in accordance with Schedule 1 Part 3(h) of the Forestry Management Contract between AgriWealth Pty Limited and the Forestry Commission of New South Wales (now known as the Forestry Corporation of NSW) for the 2010 Timber Project.

Background

The 2010 Timber Project is located at Wandalla, 40 kilometres south west of Oberon within the Bathurst management area of Northern Softwoods region (formally Macquarie Region). The project comprises 88.5 hectares of plantation planted in winter 2011. Being the third planting program at Wandalla the plantation is referred to as Stage 3.

2014-15 Growing Season

The Bathurst Management Area was subject to another challenging growing season receiving below average rainfall (figure 1) and very much above average temperatures (figure 2). The effect of the drier conditions was offset by high rainfall events in December and April. Rainfall for Oberon (Springbank) was 764 mm compared to a long term average of 840 mm (refer Annexure A). In July 2015 heavy snow falls occurred on the Oberon plateau.

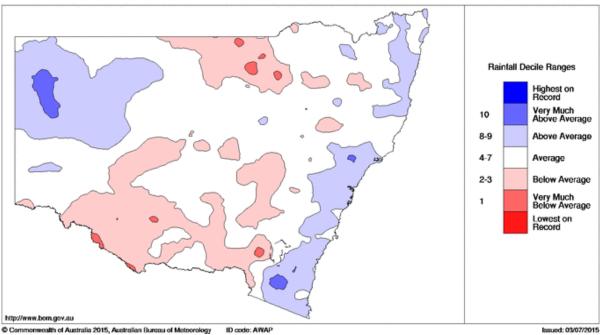


Figure 1 – New South Wales Rainfall Deciles – 2014-2015

Issued: 03/07/2015

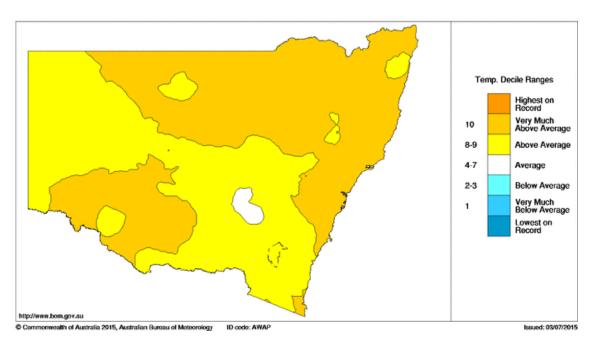


Figure 2 – New South Wales Temperature Deciles – 2014-2015

Stand condition and Forest Health Surveys

In general the stand is in excellent condition despite a very challenging growing season. Fortunately, the heavy snow falls in July did not result in any visible snow damage. The plantation remians well stocked, healthly and vigorous (figures 3 and 4).



Figure 3: Wandalla Stage 3. Four year old trees – a healthy, uniform and vigorous crop (July 2015).

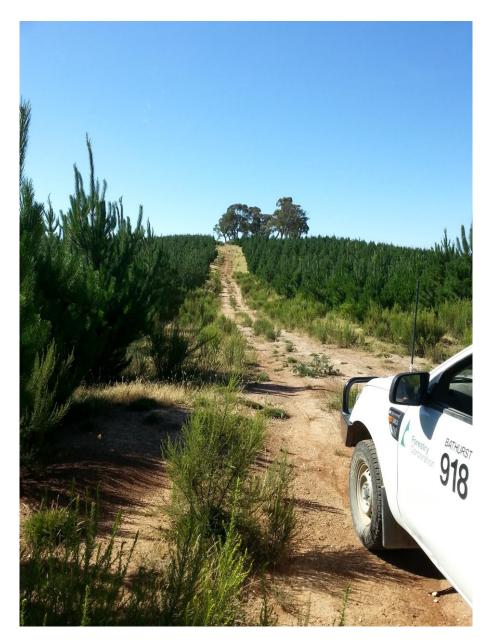


Figure 4: Wandalla Stage 3. Four year old trees – a healthy, uniform and vigorous crop (Dec 2014).

The timing of this year's forest health survey was rescheduled to ensure that reports from NSW DPI Forest Health unit could be received in advance of AgriWealth's annual reporting deadline (forest health reports have traditionally been one year in arrears as they are received after the annual report submission date).

Forest health aerial surveillance and monitoring was undertaken in July2015 (figure 5) with follow up ground inspections in July-August 2015. No significant issues were identified.

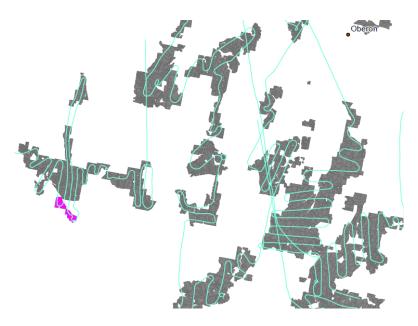


Figure 5: Forest health aerial surveillance flight path over Bathurst plantations – July 2015 (Wandalla highlighted in pink).

Biosecurity

In October 2014 Giant Pine Scale (*Marchalina hellenica*) was detected in suburban Melbourne and Adelaide. Giant Pine Scale is a scale insect that lives by sucking the sap of pine, fir and spruce trees. Trees impacted by large populations of giant pine scale suffer severe dehydration and dieback of branches, and can eventually die. Representatives from the Commonwealth, State and industry have agreed to a national eradication program which is currently underway in Melbourne and Adelaide. Each state jurisdiction has also agreed to undertake monitoring in amenity and production pine plantings. During this year's surveys no Giant Pine Scale was detected in AgriWealth plantations nor in the region.

Fire Incidents

No fire incidents have occurred within or close to any of the plantations.

The plantations were inspected in July 2015 to check for compliance to Forest Corporation NSW standards for fire preparedness and the Plantations and Reafforestation Act. For the 2010 project there are no actions proposed other then signage at the main entry point to the forest indicating the condition of the internal access tracks with respect to their use by Category 1 fire vehicles.

Other Management Issues

Nil

Report Prepared by

William Shearman

FOREST MODELLER NORTHERN SOFTWOODS

Annexure A

Monthly Rainfall Statistics

