

NGATERETERE LTD
FARM REPORT TO TRUSTEES

17th May 2007

This is a brief summary of the developments that have taken place since the inception of Ngateretere Ltd when the joint venture commenced on the 22.1.07

The initial focus was to get the development of new grass and crops underway and the farm stocked. We then moved on with drains/track improvements and a capital fertiliser dressing. The developments to date have been successful and the farm is now looking good.

Stock

There are now 2,500 ewes on the property and 439 cattle.
Ewes will be lambing 1st October.

Pasture / Soil development

There has been 100 hectares (250acres) of new grass sown and this had a successful take and is looking lush and ready to be grazed.

There has been a crop of 15 hectares of Swedes sown and are growing well, these will be used to winter the ewes in July –August.

200 Tonne of high analysis DAP/Sulphur Gain mix fertilizer (with cobalt added) has just been flown on which will be a good step to lifting the soil fertility . Soil tests were taken at the commencement of the lease and a copy of these are attached.

Animal Health

There has been a problem due to the poor fertility levels (rank browntop pasture) causing poor health issues in the sheep. It could be a cobalt deficiency so they have been drenched twice to help address this until the fertilizer starts working. Blood Tests are currently being taken.

This unfortunately will have an affect on the lambing percentages this year.
Because of this 200-300 of the light ewes may be sold if they do not pick up.

The swamp areas have caused some stock losses through not being drained properly.

Farm development

The digger has completed the work on the drains, track development and culverts have been put in place.

Miscellaneous

The power has now been reinstated to the shearing shed and new shearing plant has been purchased and installed.

A Suzuki LT500 motorbike was purchased

Financial

A copy of the cashflow to the 30th April is attached with all expenditure close to or within budget.

A good start to the operation and everything is going as planned.

Jeff Bakalich
17.5.07



Cashflow Report

for
Ngateretere Limited

Cashflow: Actual 2007

Date Range: 01 Jul 06 to 30 Jun 07

GST Exclusive

	Total	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07
Income													
Other Farm Income	650,000									650,000			
Beef	1,067											1,067	
Income Total	651,067									650,000		1,067	
Purchases													
Beef	(271,053)								(60,010)	(105,567)	(105,476)		
Sheep	(153,991)								(81,524)	(69,962)	(2,505)		
Purchases Total	(425,044)								(141,534)	(175,529)	(107,981)		
Net Income	226,023								(141,534)	474,471	(106,914)		
Farm Expenditure													
Animal Health	(746)										(514)	(232)	
Cropping	(17,526)									(69)	(17,457)		
Electricity	(20)											(20)	
Fertiliser	(22,504)								(189)	(8,769)	(12,600)	(946)	
Wages	(6,413)										(2,083)	(4,330)	
Farm Working	(23,482)										(23,482)		
Weed & Pest	(969)								(969)				
Repairs & Maint	(24,760)								(8,589)	(124)	(5,158)	(10,889)	
Administration	(6,160)								(13)	(231)	(4,034)	(1,882)	
Interest	(3,909)										(3,909)		
Rates & Insurance	(3,373)								(1,376)	(679)	116	(1,434)	
Farm Expenditure Tc	(109,862)								(11,136)	(9,872)	(69,121)	(19,733)	
Trading Surplus	116,161								(152,670)	464,599	(176,035)	(19,733)	
Other													
Capital	(20,076)								258,756	(270,000)	(8,007)	(825)	
Other Total	(20,076)								258,756	(270,000)	(8,007)	(825)	
Gst	(24,526)								(20,488)	(23,173)	21,705	(2,570)	
Income (Expense)	71,559								85,598	171,426	(162,337)	(23,128)	
Opening Balance										85,598	257,024	94,687	71,559
Closing Balance	71,559								85,598	257,024	94,687	71,559	71,559

Hill Laboratories

R J Hill Laboratories Limited

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Internet:
www.hill-labs.co.nz



ANALYSIS RESULTS

Client: Motuhora
Address: Rewetu Station
PO Box 541
OPOTIKI
New Zealand

Laboratory No.: 527735/2
Registered: 24-Jan-2007
Reported: 30-Jan-2007
Order No.:
Submitted By: GW & L Hill
Client Ref: Pasture

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Analysis	Level Found	Medium Range	Low	Medium	High
pH	5.7	5.7 - 6.0			
Olsen P (mg/L)	8	15 - 25			
ASC/Phosphate Retention (%)	55	30 - 60			
Potassium (me/100g)	0.32	0.50 - 0.80			
Calcium (me/100g)	3.1	5.0 - 12.0			
Magnesium (me/100g)	0.64	0.80 - 3.00			
Sodium (me/100g)	0.15	0.20 - 0.50			
CEC (me/100g)	19	12 - 25			
Base Saturation (%)	22	50 - 85			
Volume Weight (g/mL)	0.54	0.60 - 1.00			
Sulphate-S (mg/kg)	6	7 - 15			
Organic Sulphur (mg/kg)	11	10 - 20			
Base Saturation	K 1.7	Ca 17	Mg 3.4	Na 0.8	
MAF Units	K 4	Ca 2	Mg 8	Na 4	

The above nutrient graph compares the levels found with reference interpretation levels. NOTE: It is important that the correct sample type be assigned, and that the recommended sampling procedure has been followed. R J Hill Laboratories Limited does not accept any responsibility for the resulting use of this information.

No Laboratory Comments

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ANALYSIS RESULTS

Client: Motuhora
Address: Rewetu Station
PO Box 541
OPOTIKI
New Zealand

Laboratory No.: 527735/1
Registered: 24-Jan-2007
Reported: 30-Jan-2007
Order No.:
Submitted By: GW & L Hill
Client Ref: Pasture

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Analysis	Level Found	Medium Range	Low	Medium	High
pH	5.3	5.7 - 6.0			
Olsen P (mg/L)	6	15 - 25			
ASC/Phosphate Retention (%)	52	30 - 60			
Potassium (me/100g)	0.25	0.50 - 0.80			
Calcium (me/100g)	3.5	5.0 - 12.0			
Magnesium (me/100g)	0.89	0.80 - 3.00			
Sodium (me/100g)	0.14	0.20 - 0.50			
CEC (me/100g)	25	12 - 25			
Base Saturation (%)	19	50 - 85			
Volume Weight (g/mL)	0.53	0.60 - 1.00			
Sulphate-S (mg/kg)	4	7 - 15			
Organic Sulphur (mg/kg)	10	10 - 20			
Base Saturation	K 1.0	Ca 14	Mg 3.6	Na 0.6	
MAF Units	K 3	Ca 2	Mg 11	Na 3	

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ANALYSIS RESULTS

Client: Motuhora
Address: Rewetu Station
PO Box 541
OPOTIKI
New Zealand

Laboratory No.: 527735/3
Registered: 24-Jan-2007
Reported: 30-Jan-2007
Order No.:
Submitted By: GW & L Hill
Client Ref: Pasture

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Sample Name: Whaka Flats
Sample Type: SOIL Mixed Pasture, Dry Stock (S82)

Analysis	Level Found	Medium Range	Low	Medium	High
pH	5.5	5.7 - 6.0			
Olsen P (mg/L)	16	15 - 25			
ASC/Phosphate Retention (%)	37	30 - 60			
Potassium (me/100g)	0.27	0.50 - 0.80			
Calcium (me/100g)	2.0	5.0 - 12.0			
Magnesium (me/100g)	0.31	0.80 - 3.00			
Sodium (me/100g)	0.13	0.20 - 0.50			
CEC (me/100g)	17	12 - 25			
Base Saturation (%)	17	50 - 85			
Volume Weight (g/mL)	0.54	0.60 - 1.00			
Sulphate-S (mg/kg)	4	7 - 15			
Organic Sulphur (mg/kg)	9	10 - 20			
Base Saturation	K 1.6	Ca 12	Mg 1.9	Na 0.8	
MAF Units	K 3	Ca < 2	Mg 4	Na 3	

The above nutrient graph compares the levels found with reference interpretation levels. NOTE: It is important that the correct sample type be assigned, and that the recommended sampling procedure has been followed. R J Hill Laboratories Limited does not accept any responsibility for the resulting use of this information.

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