

ANALYSIS OF FINANCIAL RETURNS
FROM REPLANTING OF HARRIS SOUTH
BLOCK 99.5 HA

| Year | Cash Flows - Base case | Cash Flows - 10% Revenue Growth | Cash Flows - 10% Revenue Reduction | Debt Level (8.5% interest) | Desc. |
|------------|---------------------------|---------------------------------------|--|-------------------------------|---------------------------|
| 0 | 0 | 0 | 0 | 0 | Land Preparation |
| 1 | -55,596 | -55,596 | -55,596 | -55,596 | Planting |
| 2 | -37,313 | -37,313 | -37,313 | -92,908 | Fertilizing |
| 3 | 0 | 0 | 0 | -92,908 | |
| 4 | 0 | 0 | 0 | -92,908 | |
| 5 | 0 | 0 | 0 | -92,908 | |
| 6 | 0 | 0 | 0 | -92,908 | |
| 7 | 0 | 0 | 0 | -92,908 | |
| 8 | -66,665 | -66,665 | -66,665 | -159,573 | Low Prune/thin to 500spha |
| 9 | 0 | 0 | 0 | -159,573 | |
| 10 | -66,665 | -66,665 | -66,665 | -226,238 | Thin to 350spha/med prune |
| 11 | 0 | 0 | 0 | -226,238 | |
| 12 | -48,755 | -48,755 | -48,755 | -274,993 | High Prune |
| 13 | 0 | 0 | 0 | -274,993 | Fertilizer |
| 14 | 0 | 0 | 0 | -274,993 | |
| 15 | 0 | 0 | 0 | -274,993 | |
| 16 | 0 | 0 | 0 | -274,993 | |
| 17 | 0 | 0 | 0 | -274,993 | |
| 18 | 0 | 0 | 0 | -274,993 | |
| 19 | 0 | 0 | 0 | -274,993 | |
| 20 | 0 | 0 | 0 | -274,993 | |
| 21 | 0 | 0 | 0 | -274,993 | |
| 22 | 0 | 0 | 0 | -274,993 | |
| 23 | 0 | 0 | 0 | -274,993 | |
| 24 | 0 | 0 | 0 | -274,993 | |
| 25 | 0 | 0 | 0 | -274,993 | |
| 26 | 0 | 0 | 0 | -274,993 | |
| 27 | 0 | 0 | 0 | -274,993 | |
| 28 | 0 | 0 | 0 | -274,993 | |
| 29 | 0 | 0 | 0 | -274,993 | |
| 30 | 3,363,363 | 4,502,439 | 2,793,825 | | Harvest |
| NPV | 8.00% | 152,332 | 257,145 | 99,925 | |
| NPV | 9.00% | 84,531 | 163,296 | 45,149 | |
| NPV | 10.00% | 35,486 | 94,830 | 5,814 | |
| IRR | 11.01% | 12.31% | 10.18% | | |

| <u>Assumptions</u> | 99.5 |
|---------------------------------|------------------------|
| Discount rates (8%, 9% and 10%) | |
| Includes full silviculture | |
| No dividend paid | |
| Marginal costs only | |
| No pest control included | |
| No cost of land rental | |
| | Harvesting |
| | Gross Return 5,695,380 |
| | Log & Load 1,378,075 |
| | Cartage 551,230 |
| | Comms. 292,466 |
| | Roads/tracks 110,246 |
| | (Internal) |
| | Net Return 3,363,363 |
| | Tonnes 55,123 |