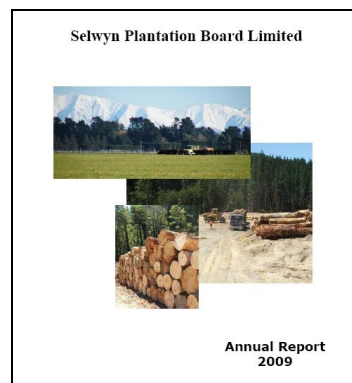


PF Olsen Features in latest Selwyn Plantation Board Annual Report

Below are excerpts from Selwyn Plantation Board's 2009 Annual Report to shareholders. PF Olsen was appointed Selwyn's forestry and harvesting manager in May 2008.

The full report can be found at www.spbl.co.nz/About+Us/Annual+Reports.html



CHAIRMAN'S & CHIEF EXECUTIVE'S REPORT For the Year Ended 30 June 2009

FORESTRY

With the introduction of forest managers PF Olsen Ltd (still in early transition at the beginning of the financial year) a significant amount of work was required in the new and first rotation log harvest areas of Lowmount forest, to facilitate continuous harvesting in all weather conditions. An accelerated harvest engineering programme was introduced in the hill forests, with the momentum maintained throughout most of the year to meet the requirement of harvest-ready road access and processing areas in this new logging environment.

The introduction of this programme allowed uninterrupted log harvesting throughout the year, and an ability to meet supply obligations into domestic and export customers to be maintained. This forward planning has also provided the opportunity to target specific log types within the forest as different markets became available.

This year has seen a significant increase in the forest valuation. The main contributors to this increase were the removal of unprofitable chip stands from the valuation, greatly improved export pricing due to new market options developed by PF Olsen Ltd, and updated information on the grades and yields of the foothills forests resulting from extensive pre-harvest inventories undertaken by PF Olsen Ltd.

Chip log demand has fluctuated over the year, due initially to the proposed ownership change at the Sefton MDF plant and also some inconsistency around supply from other regional forests. Careful management of chip log stock and alternative market opportunities from export sales kept chip log stock levels low.

New export log sales opportunities were established, initially from containerised logs which opened up alternative export market destinations. Following this the early decision to sell bulk logs into China has proven to be a positive initiative. Demand from this market was very steady throughout the year, which was against the trend of all other traditional Asian log destinations where export demand declined.

In spite of a very volatile trading environment this year, and the significant engineering costs associated with first rotation log harvesting in new harvest areas, forestry operations have ended the year in a very positive position.

COMPANY RESTRUCTURING

The company restructuring relating to forest management and some accounting function (although already adopted) was still in a period of transition at the beginning of the financial year. With the transition period now past, the benefits this management decision has brought to the company are evident both from a financial perspective and a range of other management and performance deliverables.