

Wilsen Enterprises (1992) Ltd  
6 Tui Street  
Te Puke  
21st July 2017

Peter Clark  
PF Olsen Ltd,  
PO Box 1127,  
Rotorua 3040

### **Harvest Management – Wilsen Enterprises (1992) Ltd Forest – Gisborne**

Dear Peter

I am writing on behalf of the Directors and Shareholders of our small forestry company – Wilsen Enterprises (1992) Ltd – to express our appreciation for the efforts by the PF Olsen for the management of our block over the last 25 years and for their contribution to the success of harvest operations which were concluded in May 2017.

Wilsen Enterprises owns a 41ha block in the Wairoa district adjacent to SH2. The PF Olsen office in Gisborne prepared the original management plan for this block in 1992 and were then engaged by us over each of the following 25 years for forestry management (planting / pruning / thinning etc.), and finally for harvest management at completion of the 1<sup>st</sup> rotation in 2017.

For your reference, the original PF Olsen management plan in 1992 estimated an IRR of 8.4%. Although the summer and autumn of 2017 was very wet in Gisborne, and we harvested 4 years earlier than the original 28-year plan (meaning a lower yield per ha than the original budget), we were very pleased to achieve a final return of 9% before tax based on our record of full actual costs over the period. PF Olsen provided sound advice regarding the market and log prices which encouraged us to proceed early.

We want to express our appreciation to the PF Olsen's team from the Gisborne office who have been on this journey with us. Harvesting the timber in the 1<sup>st</sup> half of 2017 was the actual realisation of everyone's efforts. We judge it as a major success and especially want to express our appreciation for the professionalism and expertise provided for our harvesting work by Ben Payne (Harvest Manager) and Warren Rance (Senior Harvest Manager) from the PF Olsen office in Gisborne.

Clearly, based on the land area, our forest block is a small venture. However, it is important to us. Throughout your team have made us feel welcome and valued as clients. They have all been approachable and contactable, ready to discuss our issues, questions and to participate in our site walk arounds.

We enjoyed full, frank and open communication with the PF Olsen team during the harvesting period in exactly the same manner as we enjoyed during forest establishment and management. Issues were communicated early, and solutions together with background

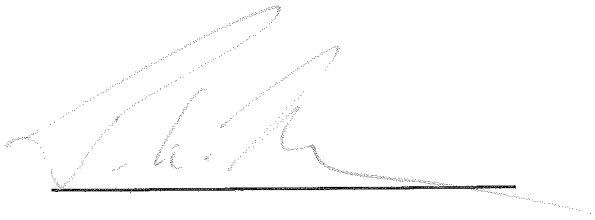
explanations offered up for our decision making. We especially want to compliment the PF Olsen's harvesting team for their "no surprises" approach. The monthly reporting during harvesting was effective and provided us with the information we needed to understand the status of the work.

We have found the monthly "Wood Matters" updates very useful in terms of keeping up to date on the vagaries of markets, log prices, industry trends and the changing landscape of legislation and taxation. PF Olsen certainly helped us to manage these risks for our harvest. For general information, we elected to go with the recommended harvest insurance scheme (and felt this provided peace of mind) but had earlier elected not to participate in the artificiality of the carbon credits scheme. Health and safety was a significant risk issue and especially during the harvest. We were very pleased with the selected harvesting company (Razorback Logging Ltd), their overall approach to HSE, management of operations, the harvest yield achieved plus the professional management oversight undertaken by Ben Payne.

Our intention is to replant in 2018 and to re-engage PF Olsen to manage the process through the steps of the 2<sup>nd</sup> rotation.

We think it is important to acknowledge people when they do a good job and provide a good quality service. PF Olsen can feel proud of the efforts of your team in regard to the work they have done for us. Thank you very much indeed.

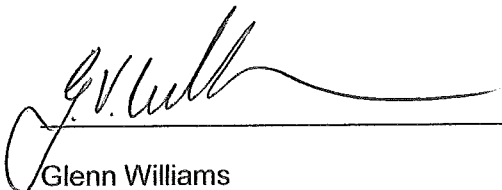
Regards



Phil Hansen  
Director – Wilsen Enterprises



Pam Hansen  
Director – Wilsen Enterprises



Glenn Williams  
Director – Wilsen Enterprises



Eunice Williams  
Director – Wilsen Enterprises