CONSENT TO CLEAR PASTORAL LAND

PERMIT NUMBER: PLC04/1

DESCRIPTION OF LAND THE SUBJECT OF THE PERMIT

Station Name: Amungee Mungee
Pastoral Lease No: PPL 1100
NT Portion: 1079
Pastoral District: Gulf

DETAILS OF APPROVED CLEARING

The Pastoral Land Board on 5 May 2004 granted consent to the clearing of approximately 4,000 hectares for the purposes of pasture improvement in accordance with the attached schedule of conditions and the endorsed plans.

REASONS FOR DECISION

1. The application lodged on 9 May 2003 sought approval to clear a total of 8,000 hectares. The Board resolved to reduce the approved area for clearing to approximately 4,000 hectares as it considered the original area sought for clearing was excessive. Future clearing approvals will be dependent on satisfactory completion and management of this clearing development.
2. The application is generally in accordance with the Land Clearing Guidelines 2002.
3. Soil types in the areas approved for clearing are suitable for improved pasture.
4. Clearing of drainage lines, wetlands and slopes greater than 3% are not to be cleared, as clearing could cause soil erosion, sedimentation of waterways and reduce water quality.
5. Areas of rock outcrops and soils not suitable for pasture establishment are not to be cleared as they are unsuitable for pasture development.
6. Retention of native vegetation buffers as outlined on the approved clearing plan is required to ensure there are no straight downslope runs of more than 300 metres for erosion control, and also to provide landscape connectivity to facilitate local wildlife movement and to protect biodiversity.

PERIOD OF THE PERMIT

This permit will lapse if clearing has not commenced within 2 years and/or has not been completed within 5 years of the date of this permit; and the lessee will need to seek an extension of time from the Pastoral Land Board to complete the clearing.

J B Forwood AM
Chairman
Pastoral Land Board
24 / 5 /2004
CONSENT TO CLEAR PASTORAL LAND

PERMIT NUMBER: PLC04/1

SCHEDULE OF CONDITIONS

1. Clearing carried out under this permit shall be in accordance with drawing number 04/PPL1100/1 endorsed as forming part of this permit. Clearing is permitted only on the eastern side of the line shown on the approved drawing and in accordance with the clearing guidelines described.

2. Clearing, ongoing maintenance, grazing and resource management shall be in accordance with the Property Management Plan for Land Clearing Development submitted by the lessee and endorsed as forming part of this permit.

3. All clearing is to be carried out on the contour.

4. A buffer zone of intact vegetation is to be left along watercourses to a minimum width of 50 metres adjacent to drainage lines, 100 metres adjacent to creeks and 250 metres adjacent to rivers.

5. The Director Pastoral Land Management Branch, Department of Infrastructure, Planning and Environment is to be notified before the commencement of clearing and on completion of the clearing development.

APPEAL

Under section 119 of the Pastoral Land Act, a pastoral lessee who is dissatisfied with a decision of the Pastoral Land Board may appeal to the Pastoral Land Appeal Tribunal against the decision of the Board. Appeals may be lodged with the Registrar of the Appeal Tribunal within 28 days of notification of the decision of the Board.

NOTES:

1. The Aboriginal Areas Protection Authority recommends that the pastoral lessee obtain an Authority Certificate to indemnify against prosecution under the Aboriginal Sacred Sites Act 1989.

2. Fire prevention measures are to be implemented in accordance with the requirements of the Bushfires Act. Permits must be obtained from the Regional Fire Control Officer of the Department of Infrastructure, Planning and Environment (telephone 8976 0321) before ignition of any felled timber in this area.

3. The Heritage Conservation Act 1991 protects archaeological places and objects, regardless of the level of documentation that the Office of Environment and Heritage has of such sites. It is an offence to undertake work on a place or object without the consent of the Minister for Environment and Heritage.

4. It is the responsibility of the pastoral lessee to refer the proposed development to the Commonwealth Department of the Environment and Heritage under the Environment Protection and Biodiversity Conservation Act should they believe the proposed development may have a significant impact on a matter of national environmental significance as outlined in that legislation.

J B Forwood AM
Chairman
Pastoral Land Board
24 / 5 /2004
PASTORAL LAND BOARD

Pastoral Land Act – section 38(1)(h)

CONSENT TO CLEAR PASTORAL LAND
VARIATION TO CLEARING PERMIT

PERMIT NUMBER: PLC04/1

DESCRIPTION OF LAND THE SUBJECT OF THE PERMIT

Station Name: Amungee Mungee
Pastoral Lease No: PPL 1100
NT Portion: 1079
Pastoral District: Gulf

DETAILS OF VARIATION

By out of session resolution dated 4 May 2006, the Pastoral Land Board approved a variation to Clearing Permit PLC04/1 to extend the time for commencement of clearing by two (2) years and completion of clearing within five (5) years.

REASONS FOR VARIATION

1. Seasonal conditions have not been suitable to commence land clearing within the timeframe approved by Clearing Permit PLC04/1.

AMENDED PERIOD OF THE PERMIT

PLC04/1 will lapse if clearing has not commenced within 2 years and/or has not been completed within 5 years of the date of this variation; and the lessee will need to seek an extension of time from the Pastoral Land Board to complete the clearing.

J B Forwood  AM
Chairman
Pastoral Land Board
24 / 5 /2006
This is the Property Management Plan for Land Clearing Development referred to in Pastoral Land Clearing Permit No: PLC04/01; issued on 24 May 2004

CHAIRMAN, PASTORAL LAND BOARD

Mr Jim Forwood  
Chairman  
Pastoral Land Board  
PO Box 30  
PALMERSTON NT 0831

Dear Jim,

I am writing in response to the Boards letter dated 15 December 2003. I submit the following management plan addressing the issues raised in the Pastoral Land Board’s correspondence.

The Amungee Mungee pastoral lease PPL1100 is to be operated in conjunction with the Wollogorang Pastoral Lease PPL1113 and the neighbouring Wentworth Station located on the Queensland side of the QLD/NT border. Both properties are owned and operated by us. Currently the movement of stock off Wollogorang and Wentworth over the wet season, when prices for export cattle are often the best is seldom possible due to the properties remoteness and limited gravel access over the wet. Amungee Mungee on the other hand has bitumen access all year round.

The Wollogorang and Wentworth leases will continue to be the breeding properties. At weaning the weaners will be removed from their mothers fed on grain for 10 days to remove any weed seeds etc from their systems and then transported over to Amungee Mungee where they will be put straight onto improved Buffel grass pastures and native grass pastures. Weaners will remain at Amungee Mungee for approximately 18 months before going to export during the Wet Season when prices are at a premium.

In 2004 it is envisaged 3000 weaners will leave the Wollogorang-Wentworth aggregation and be relocated to Amungee Mungee where they will be grown out to a suitable weight for export. It is estimated that once breeder numbers build up on Wollogorang and Wentworth up to 10000 weaners will be moved to Amungee Mungee on an annual basis. Over the next decade it is planned to develop 1000km² of high quality Buffel grass pastures which will augment the native grass pastures found on the property. The attached map illustrates the initial 4000 hectares to be cleared early in 2004.

Our clearing and pasture development program is designed to increase the carrying capacity of the property and in particular the heavy Lancewood and Bulwaddy areas.
Estimated carrying capacity of the area to be developed is a beast per square kilometre, the majority of grazing takes place on the fringes of the Lancewood and Bulwaddy or the small areas of open country dissecting the Lancewood and Bulwaddy. Improved pastures when established will significantly increase the quantity and quality of feed available.

COST BENEFIT

Current production level on native pasture on (40Km²)
- 40 steers weighing 400 kg at $1.65/kg  $26,400

Projected production level on improved pasture (40Km² @ 10hd/ Km2)
- 400 steers weighing 400kg at $1.65  $264,000

Additional Benefits to our enterprise
- Free up country on Wollogorang & Wentworth for extra breeders
- Improved heifer weight gain in replacement heifers at Wollogorang
- Reduced helicopter mustering
- Reduced operating cost, more cattle on smaller areas.
- Reduce turnover age by 6 months.
- Eliminate need for agistment and associated costs.
- Ability to market stock over the wet season taking advantage of higher prices traditionally available at this time of year.

Establishment Cost

<table>
<thead>
<tr>
<th>Development cost (4000 hectares)</th>
<th>Unit Cost $ per Hectare</th>
<th>Area/Hect.</th>
<th>$/Hectare</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chaining using station owned &amp; operated D7 Bulldozers</td>
<td>$25.00</td>
<td>4000</td>
<td>$100,000.00</td>
</tr>
<tr>
<td>Buffel/Stylo seed @ 5 Kg/ hectare $6/Kg</td>
<td>$30.00</td>
<td>4000</td>
<td>$120,000.00</td>
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<tr>
<td>Aerial seeding per hectare</td>
<td>$2.50</td>
<td>4000</td>
<td>$10,000.00</td>
</tr>
<tr>
<td>Estimated Cost</td>
<td></td>
<td></td>
<td>$230,000.00</td>
</tr>
</tbody>
</table>

Additional Cost
Erect approximately 12 kilometres of fence  $36,000
Two additional watering points          $30,000

SITE DESCRIPTION AND CLEARING METHOD

The areas selected for clearing has been classified by DIPE staff into three basic categories and is identified on the attached map.

1) Class 1 :-Areas of eucalypt woodland and associated broad based drainage floors.
   I. To be retained as undisturbed native vegetation.

2) Class 2 :-Lancewood/Bulwaddy with areas of eucalypt.
   Sections to be retained
   I. Eucalypt woodland
   II. Water course buffer strips
   III. Areas with slope.3%
   IV. Soils not suitable for pasture establishment
V. Native vegetation strips a minimum of 100 metres width aligned on the contour. Ensuring there a no downslope runs of more than 300 metres.

3) Class 3 : Heavy Bulwaddy and Lancewood
Sections to be retained

VI. Water course buffer strips
VII. Areas with slope.3%
VIII. Soils not suitable for pasture establishment
IX. Native vegetation strips a minimum of 100 metres width aligned on the contour. Ensuring there a no downslope runs of more than 300 metres

An area of approximately 4000 hectares within the area indicated on the attached map has been identified as suitable for varying levels of clearing and development, clearing will be restricted to the 4000 hectares previously approved by the Pastoral Land Board.

CLEARING METHOD

- Chaining using station supplied & operated D7 bulldozers. Pre or post wet season.
- Leave timber on ground to build up fuel load and seedlings to emerge.
- Burn before wet season and aerial sow into ash.
- Second fire 3 to 5 years after initial fire to control woody growth. Shrubby Stylo species will be planted into the ash.

ONGOING MAINTENANCE

- Fire will be used to control regrowth if and when necessary.
- Pasture condition and livestock production will determine if we apply fertiliser.

The time frames will be governed by seasonal conditions, we expect to have the pulling stage of the operation completed one wet season and burning and planting operations the following wet season.

GRAZING AND RESOURCE MANAGEMENT

Weaner cattle will come in from Wollogorang in May/June each year. The cattle will average approximately 180kg. The weaners will remain on the pasture till August and will be turned out onto native pasture where they will remain till December the following year.

Once improved pasture is established and our management system is in place the second stage of our management strategy will commence. The previous year’s weaners will be reintroduced to the pasture for growing out. The steers will remain on the Buffel until being turned of in January/February the following year at a target weight of 400kg. The paddocks will be spelled till May when the next lot of cattle are received from Wollogorang.

The spelling period will coincide with the better rainfall months, we should be able to gain maximum benefit and pasture growth. The native pasture paddocks that the steers come out of will be spelled over the wet till they are required for weaners the following August.
Fire will be used to control woody regrowth. We have budgeted for approximately 10% to 15% of the pasture to be taken out of production annually to accommodate the burning program. Fire breaks will be constructed and maintained around all paddock perimeters. Controlled Fire is part of the management and every attempt will be made to prevent wildfire on the property.

Native vegetation retention in the buffer zones will be maintained by protecting them from or restricting fire and the spreading associated with paddock management. The paddock firebreaks will protect from or restrict fire damage to the improved pasture and native vegetation.

Amungee Mungee is generally free of weeds except for a small number of Sida plants around the station complex. Our aim is to prevent weeds becoming established on the property. We appreciate the potential for weeds to establish in disturbed ground and the threat weeds pose to the viability of the improved pasture program and the property.

Stock coming from Wollogorang will be held in the yards at Wollogorang for 10 days and fed a commercial ration prior to trucking. This will provide sufficient time for indigestible seed to pass through them. Weeds do exist on Wollogorang and every effort will be made to prevent their spread to Amungee Mungee. We have a quad bike to use for survey work and will fit a tank for spot spraying if necessary.

The station has the equipment to carry out remedial soil conservation work if required a bulldozer and grader are based on the property. Assistance will be sought from DIPE officers to locate the vegetation buffer zones on the contour.

The area to be developed is located near the centre of the lease well away from neighbouring properties. The perimeter of the area has a firebreak that will assist in containing the pasture from spreading into non-target areas. A strip of native vegetation 100 metres wide will be left on the inside of the paddock running parallel to the main road. DBIRD literature emphasises that a degree of soil disturbance and a stock free period is required for the successful establishment of the Buffel in our environment.

I would be happy to discuss this proposal further if required and can be contacted on 08 89759599 or e-mail paulzlot@bigpond.com.

Yours Sincerely

Paul Zlotkowski

16/4/04
CARELING IS PERMITTED ONLY ON THE EASTERN SIDE OF THIS LINE AND IN ACCORDANCE WITH THE CLEARING GUIDELINES DESCRIBED ON THIS MAP.