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NTT MAHOGANY PROJECT 2006-2008

Responsible Managers Inspection Report - M'Oganwo Property 25 to 28 October 2010

Abstract

The purpose of this report is to record the observations made during the inspections of the NTT Mahogany Project 2006-2008 (Project 2) at M'Oganwo Station in the Douglas- Daly region of the Northern Territory.

Present

Mr Ian Knobel	Project Forester
Malcolm Cleland	Responsible Manager

Mr Stephen Brosnan	M'Oganwo property manager
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Summary

- The measurement of growth rates confirms that the trees are growing well and that the growth rates may exceed previous estimates. A further years measurements will significantly improve growth rate data and therefore enhance the accuracy of estimated projected yields.
- The forest is generally well maintained
- Some inconsistency in the execution of Project management tasks was noted. This is being addressed with the Operations Manager and farm manager.
- Contingency plans for the management and execution of Project work on the property are in place should they be required.

Background to this Inspection.

The Responsible Manager is engaged by the Responsible Entity, Huntley Management Limited (HML) to oversee the project on behalf of Growers and conducts three inspections per year to monitor the forests development. The inspections are timed to coincide with the late wet season (March), the mid dry season (August) and in the early wet season (December). By inspecting the Project at these times there is sufficient time remaining in each of the 'seasons' to make

changes to the works program as required by the agreed Management Plan and budget.

The inspections include an evaluation of the work undertaken since the previous inspection, an assessment of the current status of the project and planning for future works.

This inspection was important as it was the time scheduled for the measurement of the growth rates of the trees. It allowed for the trees development to be compared with the results of nutrient analysis from leaves sampled earlier in the season.

The inspection was delayed from August and undertaken by Malcolm Cleland and the Project Forester, Mr Ian Knobel in October. This will still allow sufficient time for any remedial action to be undertaken before the onset of the wet season. The Project Manager, Mr Greg Hooker was unavailable to assist at the time.

Forestry

- Measurements of both the height and circumference of the trees in the 2006 plantings indicate significant height and volume of wood.
- The trees appear in generally excellent health and their nutrition is adequate
- Weed control is excellent
- There are some issues concerning termite control that require further investigation
- Firebreaks, road maintenance and erosion work is behind schedule.

General Observations

Measurement of the trees in the trial plots at M'Oganwo indicate that it has been a very good year and that tree development and growth has been significant in all areas.

The 2006 plantings progress well but there is a need to attend to some erosion gullies before the wet.

The 2008 plantings are now well established. The trees, due to their late start, will require some time and work to match the neat appearance of the older plantings. These plantings also require some work on erosion mitigation

The Project Forester has been asked to reassess a proposed pruning program. Observations of tree growth indicate that it may be justified to prune to a greater height than was previously contemplated.

It is highly desirable that road maintenance, grading of fire breaks and erosion control works be undertaken as soon as is practicable as this work can not be undertaken once the wet sets in which may reasonably be expected in December.

The termite management program has been satisfactory. This program should be reviewed with the Project Forester and consider both termite species apparent in the plantations.

In the event that HML determines that changes to the management of the M'Oganwo property is in the best interests of the Growers an alternative management team is available

Finally, it is appropriate to compliment the on site property manager at M'Oganwo on his diligent work as it is considered that much of the present good standing of the Northern Territory activities result from his good sense and efforts.

Malcolm Cleland
Responsible Manager
30 October 2010

Project 2 M'Ogonwo

