



CLELAND MANAGEMENT PTY LTD
ABN 40 857 971 229

CLELAND

23 Albert Street
Windsor Victoria 3181
Australia

Telephone 0419 116 731
Facsimile 03 9510 0939
Email m.cleland@bigpond.com

NTT MAHOGANY PROJECTS 1 and 2

M'Oganwo Property Inspection Report - 2 March 2009

Elderslie Property Inspection Report – 5 March 2009

ABSTRACT

Both NTT properties at Elderslie in North Queensland and M'Oganwo in the Northern Territory were inspected in September 2008. As a consequence of the inspection it was considered essential that a number of remedial, replanting and maintenance operations were undertaken during the 08/09 wet season.

This inspection was undertaken in March 2009, to inspect and report on the work undertaken and to report on the overall condition of both NTT projects.

ELDERSLIE, NQ

2005 Planting 144 ha (Project 1 - 2004 Growers)

Since the initial planting in 2004 the main task of the project manager has been the control of grass and other weeds that may compete with the plantation trees. In the tropical environment this weed control is most concentrated in the wet season or summer months. In the past weed control at the Elderslie property has involved the spraying of the ground immediately under the trees with herbicide and slashing between the tree rows. The inter row space has only been sprayed when the land has been too wet for the passage of the heavy mowing equipment and an alternative control method has been required.

This year the weed control program has involved spraying both the tree rows and the inter row areas with only minimal slashing. The results are generally most satisfactory. Not only is the in row area cleaner but the overall weed competition is significantly less than in previous years. I consider that this is a significant and positive development in the operation of the Project.

The trees have grown significantly since the September inspection. Some trees are now well over 5 meters tall and are starting to shade the inter row areas. Pruning of unwanted side limbs has been undertaken and trees with multiple trunks have had the lesser members removed.

2006 Planting 251 ha (Project 1- 2005 Growers)

This planting covers five main areas and generally has progressed well. One area, known as the Airstrip, was partially burnt in a fire in November 2007. A remediation programme is well underway and the trees are now approximately 2 meters tall. Further work will be carried out in the next months to further facilitate weed control and reduce side shoots. Additional fertiliser will be applied to these trees in order to prompt maximum growth.

M'OGANWO, NT

2006 Planting 172 ha (Project 1- 2005 Growers)

The NTT Mahogany Project plantation at M'oganwo is excellent and the trees are progressing well. The growth rate and form of the majority of the trees is most satisfactory.

As at Elderslie herbicide has been used as the sole weed management agent. The weed control is good to excellent. Any variation that exists is as a result of either the timing of spray applications or as a result of weather conditions.

2007 Planting 297 ha (Project 2)

2007 planting is in four areas all of which show satisfactory growth. The weed control is good and, at the time of inspection, a second spray program was underway. I consider that these areas are now free of any competitive weed and that there will be minimal debris that may represent a fire risk later in the season.

A replanting programme has been carried out where needed and has involved the manual planting of some advanced seedlings as well as infilling with standard stock.

The trees have had a light pruning where needed.

2008 Planting 234ha (Project 2)

The 2008 planting was in 3 adjoining areas in a relatively uniform site. As has been reported previously this planting was undertaken too late in the season and, consequently, failed.

Following my last report the Operational Manager, Khaya Plantation Services Limited, has undertaken a complete restoration of this area. Where necessary complete rows have been replanted using a single row planting machine. Some partially established rows from the original planting have been replanted to the correct density.

The pre planting weed control was well planned and well executed. Some post planting weed treatment has also been carried out where necessary.

Overall this replanting work has been done in a professional manner. I will continue to monitor tree development in this area closely.

SUMMARY

Eldersley

This is a highly productive plantation and now clearly demonstrates the capacity of the site. The restoration of the fire affected part of the Airstrip block is in hand. The general maintenance of the property including weed control and remediation progresses well.

M'Oganwo

It is pleasing to report that the replanting of the 2008 planting has now been completed and should produce a good result.

General property maintenance, including the spraying of fire breaks, is good.

Considerable attention has been given to erosion control and, where necessary, infill planting has taken place in washed areas.

Overall management and execution of the works program is much improved on last year.

Tree Status

The general status of the 2006 planting is most satisfactory.

The status of the 2007 planting is most satisfactory.

The 2008 plantings have been replaced.

Pruning

The pruning program for 2006 and 2007 planting trees has been implemented.

Termites

There is an increase in apparent termite (*Mastotermes darwiniensis*) activity on the M'oganwo property. A termite trapping program has commenced and will be further developed in the next dry season.

Weed Control

Weed control is good and an improvement on 2008.

Erosion

Work has been completed to reduce soil erosion in both the 2007 and 2008 planting areas.

Fire control and Tracking

Work on fire breaks has commenced. This will be monitored closely during the dry season.

Malcolm Cleland
March 2009