

OPERATIONAL MANAGER'S REPORT

**AUSTRALIAN OLIVES
PROJECT 4
PROJECT 5
PROJECT 6**

1 JULY 2008 – 30 SEPTEMBER 2008



1. Introduction

I report below on matters to be considered by the Responsible Entity for Australian Olive Project 4, Project 5 and Project 6.

2. Activities for the quarter

As Operational Manager, the activities for the quarter are detailed below:

- A full reconciliation of the groves was completed in July which estimated both dead and viable trees in all groves. Details of the results have been included in the agricultural reports supplied to the Responsible Entity in July 2008.
- Monitoring for disease including lace bug and black scale has been carried out in September and although present, this is under control. It is anticipated that spraying for lace bug will commence in early October as the population is increasing and substantial damage has been done in the past. All trees infected with scale have been identified and it is anticipated that the scale will be treated in December when the nymphs (or eggs) hatch
- A foliar fertiliser was applied in September to all viable trees in anticipation of a moderate flowering and fruit set. Rainfall was received in August & September that has freshened the trees. If the season continues with an average wet summer, a harvest result is anticipated.
- Slashing of the groves was carried out to control the growth of grass in between the rows and to enable bed spraying of weeds.
- Light pruning was carried out in July & August and will continue each month.
- During August 2008, damaged groves were resurrected where possible to facilitate spraying for weed and disease control.
- All groves have been checked for bugs on a regular basis.

3. Workplace Health & Safety

A Workplace Health & Safety program is currently in the process of being implemented. There have been no accidents or incidents to report for the quarter.

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4. Environment

A report of contamination caused to the land adjacent to Section V5 of Project 6 by the dumping of pickled olives by Australian Olives Limited from their processing plant has been received. Australian Olives have been notified and have advised of their intent to remove the contamination from site.

5. Condition of Grove

All viable groves have responded to early spring rains and are in good condition.

6. Water Outlook

Provided we are able to access existing water in the southern dam, we have estimated that at flowering & fruit set we will have enough water to irrigate viable trees in Projects 5 and 6 for a maximum of 4 hours each section, which equates to approximately 160 litres per tree. A normal wet season is anticipated and this being the case, inflows to the dam will be adequate to maintain fruit set and projected yields.

7. Breaches

None to report this quarter.

8. Professional Indemnity Insurance

Current - renewed 4 April 2008.

Yours faithfully

AUSTRALIAN GREEN & GOLD LIMITED



**PETER SHAKSPEARE
MANAGING DIRECTOR**