



Newsletter

June 2009

Carew Storage

The appeal time for the Resource Consent decision has passed and no party has decided to take the decision to grant the consent to the Environment Court. Your Board is very pleased with the Commissioners decision and we believe it reflects both the quality of the preparation of our case and the relevance of the project.

Before any decision to proceed with the development is made by shareholders we need to obtain a Building Consent and update the costings. This work is being advanced. Concern has been expressed about the project costs today relative to a couple of years ago, but we are hearing of quotes for on-farm ponds at similar rates to that of two years ago.

Speculation about the applicability of Carew Storage based upon one season's water use records, the current economic climate or misinterpretation of the data supporting the project will only fuel future regret. Lower interest rates, competitiveness in the construction industry, funding options, improved construction and distribution technology are all

positives not observed a year ago. We all need to be a little patient and make the best decision based upon the best facts.

The value and quantity of stored water will increase in the future. On farm storage will continue to allow shareholders to manage their allocation according to on farm demand. Scheme storage will allow the scheme to more effectively manage both restrictions and water over and above allocation to improve the reliability for all shareholders and to make better use of the consented take.

Pressure piping of our scheme, seasonal allocation, scheme growth potential, and storage are all workstreams that are interrelated, and for the best decision to be made around Carew Storage we need to be able to present this information to shareholders as a package, obviously with the relevant pricing and funding options. This work has been commissioned and we plan for this to be submitted to shareholders before our AGM.

Prospectus

This newsletter also serves as a reminder to shareholders to reply to the issued Prospectus along with the relevant payment. To protect your irrigation supply and to avoid additional costs this **must** be paid by 26 June.

General Manager

Hamish Tait is now settling into the MHIL General Managers role with plenty of challenges ahead.

Note from Racemen

The race management team would like to thank all shareholders and their staff who helped throughout the season. Your help is much appreciated by the Racemen as it helps the scheme run smoothly. Any suggestions for race cleaning or improvements, please contact your Raceman.

D Keeley—Chairman

Mission Statement

To maximise the delivery and security of water to all shareholders

SHAREHOLDER OF



Brophy Knight Ltd
p 03 308 5104

144 Tancred Street
f 03 308 2456

PO Box 314
e brophy@xtra.co.nz

SECRETARY'S OFFICE:
Ashburton 7740
w www.mhis.co.nz