

Valuation Report



'Windera Station'
3269 Murgon Gayndah Road,
Windera QLD 4605

for

Mr Mark Kratzmann

Valuation date: 16 March 2011
Our Ref: 03/11-012a:AJG

Executive Summary:

Instructing Party:	Mr. Mark Kratzmann 'Windera Station' 3269 Murgon Gayndah Road Windera QLD 4605
Client:	Mr. Mark Kratzmann 'Windera Station' 3269 Murgon Gayndah Road Windera QLD 4605
Purpose of Report:	To assess the Market Value of the following described property for Accounting Purposes .
Property Address:	'Windera Station' 3269 Murgon Gayndah Road Windera QLD 4605
Brief Description:	'Windera Station' consists of four contiguous blocks which form a near rectangular aggregation. Windera Creek traverses the property in a south to north direction. Approximately 120 hectares are under cultivation of which 80 hectares are under permanent irrigation. The remaining 40 hectares are utilised for opportunity irrigation when water supply is available. Remaining land is utilised for grazing purposes.
Date of Inspection:	16 March 2011
Date of Valuation:	16 March 2011
Registered Owner:	Mark Edward Kratzmann
Real Property Description:	Lot 169 on Survey Plan 242087, Lot 10 on Registered Plan 195480 and Lots 96 and 98 on Crown Plan MZ 531.

Executive Summary contd:

Land Area: 2,062.676 hectares

Zoning: Rural

Interest Valued: Fee Simple Vacant Possession

Market Value "As Is":

Subject to any stipulations and assumptions contained within the body of this report, it is our opinion that the Market Value of the subject property is:

\$3,745,000

(Three Million Seven Hundred and Forty Five Thousand Dollars)

The above valuation is net or exclusive of goods and services tax (GST).

This executive summary forms part of and should not be used or read independently of the following report. This report should only be relied upon after sighting a signed original copy of the report.



ALAN J GEES FAPI
REGISTERED VALUER (QLD) NO. 1600
PRINCIPAL
WIDE BAY – OPTeon

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1. Title Searches
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1 | Summary

1.1 Instructions

Acting on instructions from Mr. Mark Kratzmann dated 24 February 2011 we have inspected the property known as 'Winderah Station' situated at 3269 Murgon Gayndah Road, Winderah QLD 4605 to assess the Market Value on an "As Is" basis of the property for Accounting Purposes.

The report has been prepared for the private and confidential use of the above party and it should not be reproduced in whole or in part or relied upon for any other purpose or by any other party without our express written authority.

Our valuation has been prepared in accordance with the Australian Property Institute Practice Standards and Guidance Notes.

Information we have been provided with and relied upon in undertaking our valuation includes:

- Water details;
- Title searches.

The valuation is based on the instructions and subsequent information supplied containing a full disclosure of all information that is relevant. Whilst the valuer has attempted to obtain all necessary information and verify the material and data provided, the valuer and valuation firm does not accept any responsibility or liability whatsoever in the event the valuer has been provided with insufficient, false or misleading information.

We confirm that the valuer does not have any pecuniary interest that would conflict with the proper valuation of the property, has the appropriate experience in the valuation of this style of property, and is legally permitted to value such property in the State of Queensland.

1.2 Basis of Valuation

This valuation has been prepared on the basis of market value as defined by the International Valuation Standards Committee (IVSC), and endorsed by the Australian Property Institute, as follows:

"Market value is the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

Market value is based on the highest and best use of the asset that may not necessarily be the existing use.

Our valuation has been prepared on a vacant possession basis.

1 | Summary contd

1.2 Basis of Valuation contd

Our valuation reflects market conditions as at the date of valuation but does not contemplate a forced sale.

Our valuation has been assessed in accordance with the International Valuation Standards (IVS) - 7th Edition, and applicable valuation standards, applications and guidance notes.

1.3 Date of Valuation

Our valuation has been assessed as at 16 March 2011 based on our inspection of the same date. Due to possible changes in market forces and circumstances in relation to the subject property, the report can only be regarded as representing our opinion of the value of the property as at the date of valuation.

2 | Locational Characteristics

2.1 Location

Murgon is approximately 260 kilometres north-west of Brisbane and is the second largest town in the South Burnett Region after Kingaroy. 'Windera Station' is located in the Windera District which is approximately 30 kilometres north of Murgon in the South Burnett Region. It is a long established rural area which for many years was based on dairying and is now mainly utilised for grain growing and grazing. There are several large piggeries in the area as well as a Grain Feed Business which services a large area of the eastern end of the Burnett Region. The Windera District is centred on Windera Creek which rises in the hills to the south and flows to the north into Barambah Creek.

The following map indicates the location of the subject property.

2 | Locational Characteristics contd

2.1.1 Location Map



Location map reproduced from Google Maps.

2.2 Surrounding Developments

Surrounding development is mainly utilised for grain growing and grazing. There are several large piggeries in the area as well as a Grain Feed Business which services a large area of the eastern end of the Burnett Region.

2.3 Roads and Access

The property fronts the Murgon Gayndah Road which is a bitumen sealed dual carriageway linking the Bunya Highway and the Burnett Highway. There is all weather access in all directions.

2.4 Services and Amenities

Electricity and telephone are connected to the property. Water is provided by rainwater tanks and septic systems are installed. All shopping facilities are available in Murgon. Primary schooling is at Winderar with high schooling in Murgon. Cattle selling facilities are available at Murgon, Woolooga and Gympie. All other amenities such as sporting, religious and recreational facilities are available in the South Burnett area.

3 | Title Particulars

3.1 Legal Description

The property is known as Freehold land located in the County of Mackenzie, Parish of Windera and described as:

RPD	Title Reference	Registered Proprietor
Lot 169 on SP 242087	50836847	Mark Edward Kratzmann
Lot 10 on RP 195480	16565050	Mark Edward Kratzmann
Lot 96 on CP MZ 531	12545099	Mark Edward Kratzmann
Lot 98 on CP MZ 531	12545100	Mark Edward Kratzmann

We have obtained Current Title Searches with the Land Titles Office and copies are appended hereto (refer Appendix 1). For the purpose of this report we have assumed that the information provided to us is correct.

3.2 Title Discussion

We have taken into account the attached easements, encumbrances and interests in forming our opinion of value. This valuation has been assessed assuming the property is only affected by encumbrances as noted on the certificate of title. We have not searched with other Government or relevant entities to ascertain whether any other encumbrances exist over the subject property.

We note that rights and interests in the property are reserved to the Crown by deed of grant, this is a common encumbrance recorded on almost all titles in Australia and has a limited, if any affect on the marketability of the property.

This valuation assumes that the mortgage is released and therefore is no affect on the assessed value or marketability of the property.

4 | Planning Controls

4.1 Local Authority

Lots 10 and 169 are currently located under the Gympie Regional Council. Lots 96 and 98 are currently located under the South Burnett Regional Council. Prior to amalgamations Lots 10 and 169 were located under the Kilkivan Shire Council and the remaining Lots 96 and 98 were located under the Murgon Shire Council.

4.2 Zoning

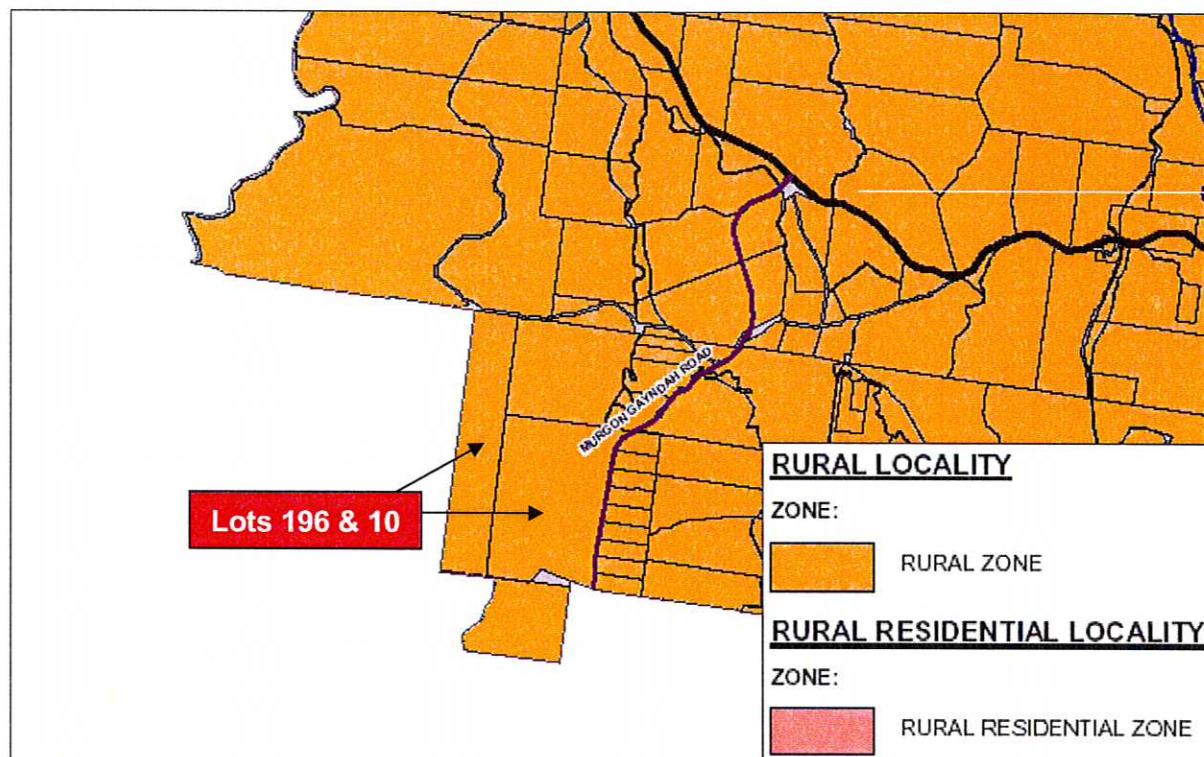
Both the Gympie Regional Council and the South Burnett Regional Council have commenced work on developing a single planning scheme for their entire Regional Council area as a result of Council amalgamations. Until this single planning scheme for the different areas is completed, the previous town planning schemes for the different areas are to be utilised.

4| Planning Controls contd

4.2 Zoning contd

Under the current Kilkivan Planning Scheme and the current Murgon Planning Scheme the property is currently zoned "Rural". The current use is consented under that scheme. An extract from the town plans are below.

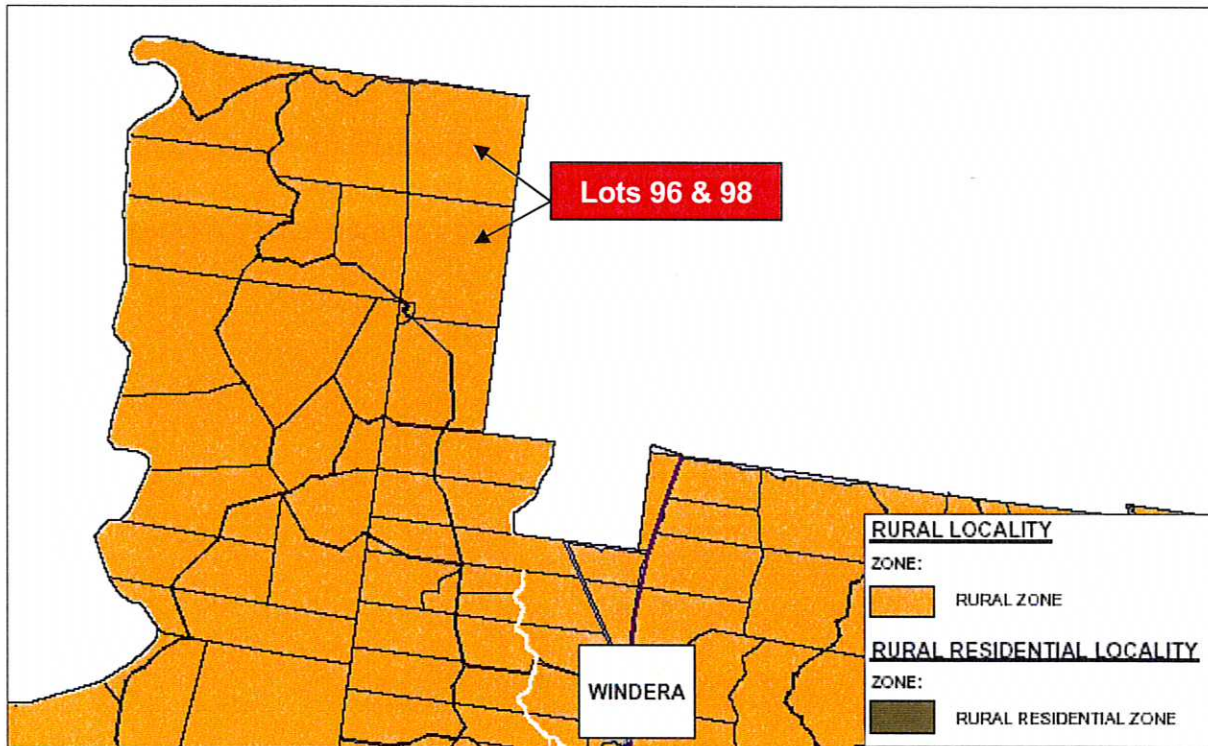
4.2.1 Zoning Maps



Zoning map reproduced from Kilkivan Planning Scheme

4| Planning Controls contd

4.2.1 Zoning maps contd



Zoning map reproduced from Murgon Planning Scheme

4.3 Government Proposals

Our enquiries indicate the subject property does not appear to be affected by any government proposals (such as road widenings, acquisitions etc) however the valuer has not undertaken formal legal enquiries which would normally be undertaken as part of conveyancing.

4.4 Native Title

A site inspection and title enquiries have not revealed any obvious presence of native title. Nevertheless, we are not experts in native title or the property rights derived there from and have not been supplied with appropriate expert advice or reports. Therefore, the property valuation is made assuming there are no actual or potential native title interests affecting the value or marketability of the property.

5 | Land Description

5.1 Dimensions

'Winderar Station' consists of four contiguous blocks which form an irregular shaped aggregation with frontage to Murgon Gayndah Road. Lot 10 is the easternmost parcel of land and has a frontage to Murgon Gayndah Road of approximately 3,383 metres, a northern boundary of approximately 2,693 metres, southern boundary of approximately 2,249 metres and a western boundary of approximately 3,432 metres.

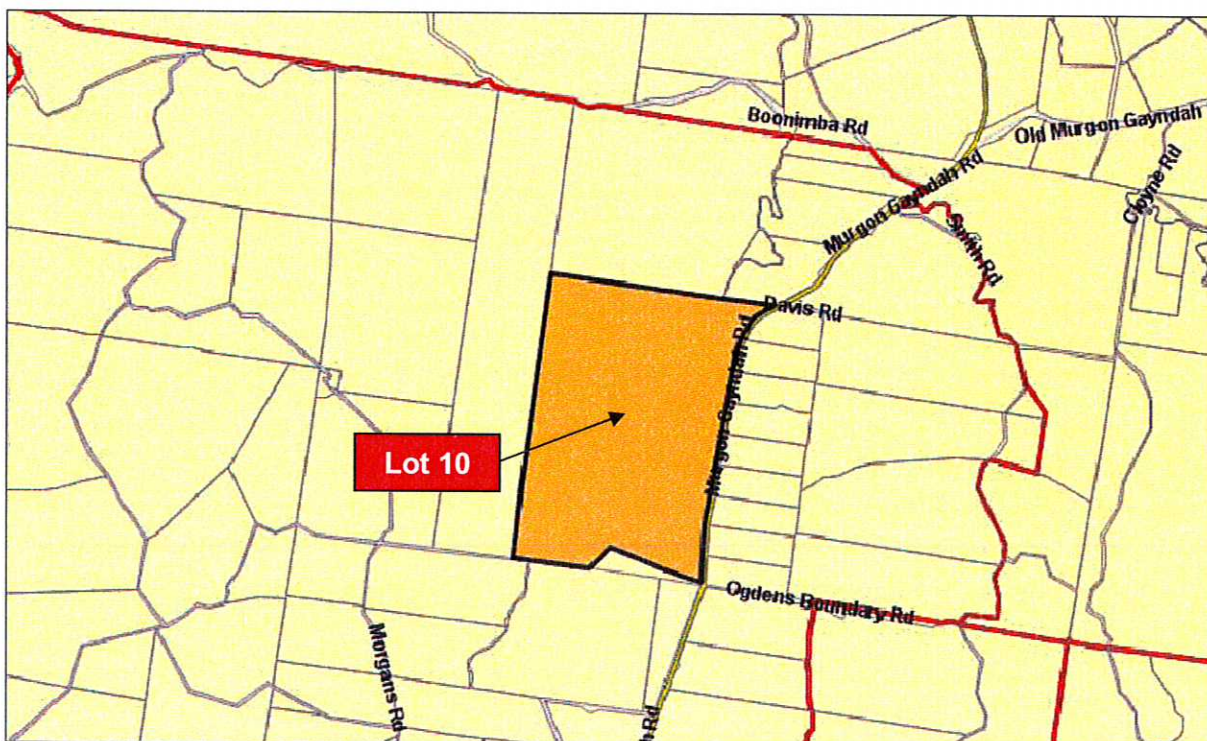
Lot 169 adjoins Lot 10 on its western boundary. Lot 169 has a northern boundary of 914 metres, eastern boundary of 3,349 metres, southern boundary of 969 metres and a western boundary of 5,495 metres.

Lots 96 and 98 adjoin Lot 169 on its western boundary. Lot 96 is the northernmost parcel of these two lots and has a northern boundary of approximately 1,991 metres, eastern boundary of approximately 1,823 metres, southern boundary of approximately 1,770 metres and an eastern boundary of approximately 1,806 metres.

Lot 98 adjoins Lot 96 on its southern boundary and has a northern boundary of approximately 1,770 metres, eastern boundary of approximately 1,996 metres, southern boundary of approximately 1,404 metres and a western boundary of approximately 2,148 metres.

The following plan indicates the configuration of the property.

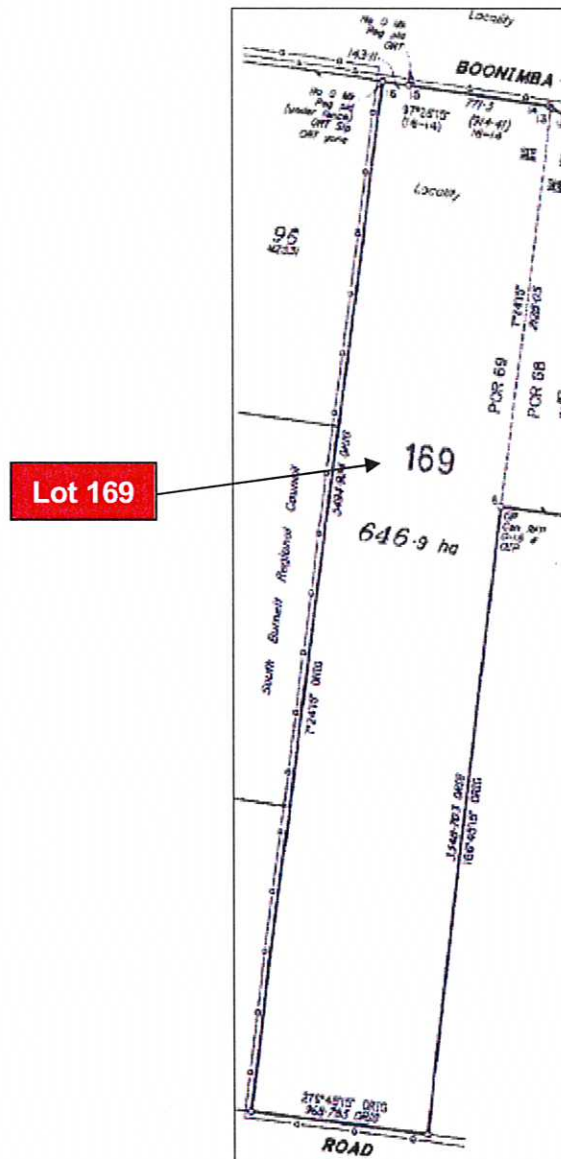
5.1.1 Land Configuration Maps



Land configuration map reproduced from RP Data

5 | Land Description contd

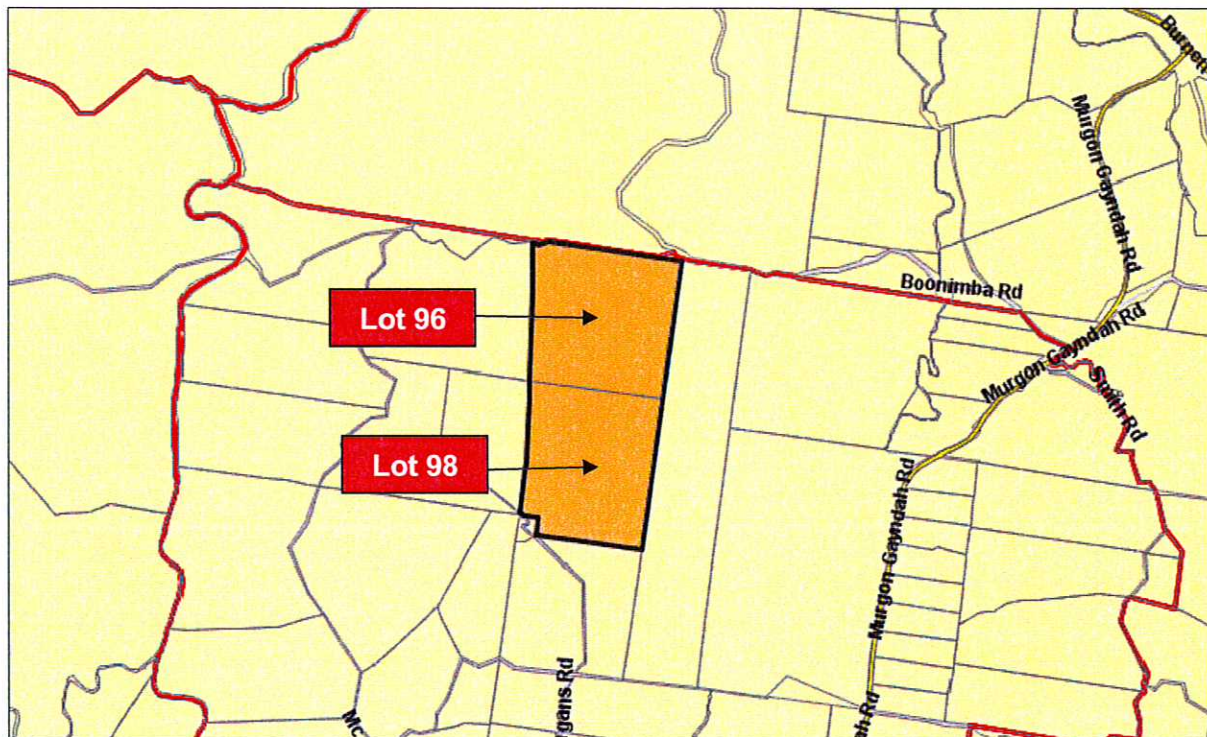
5.1.1 Land configuration maps contd



Land configuration map reproduced from Survey Plan 242087

5 | Land Description contd

5.1.1 Land configuration maps contd



Land configuration map reproduced from RP Data

5.2 Area

RPD	Area
Lot 169 on SP 242087	646.900 hectares
Lot 10 on RP 195480	748.551 hectares
Lot 96 on CP MZ 531	337.103 hectares
Lot 98 on CP MZ 531	330.122 hectares
TOTAL	2,062.676 hectares

5.3 Identification

The property has been identified by cadastral map and survey plan.

5.4 Rainfall

The property is situated within the 600mm – 800mm rainfall belt on the Isohyetic Chart. Most of this rainfall is received in the summer months.

5 | Land Description contd

5.4.1 Aerial Photograph



Reproduced from Google Earth (please note boundaries are approximate)

5.5 Encroachments

A current survey has not been sighted. The valuation is made on the basis that there are no encroachments (unless otherwise noted) by or upon the property and this should be confirmed by a current survey report and/or advice from a land surveyor. If any encroachments are noted by the survey report the valuer should be consulted to assess any affect on the value stated in this report.

5.6 Topography

The land falls gently from the road frontage to the west to the flats surrounding Winderah Creek which traverses the block in a south to north direction. From the creek flats the land then undulates upwards to the west.

The creek flats consist of self-mulching clays with approximately 120 hectares under cultivation of which 80 hectares are under permanent irrigation. The remaining 40 hectares are utilised for opportunity irrigation when water supply is available.

5 | Land Description contd

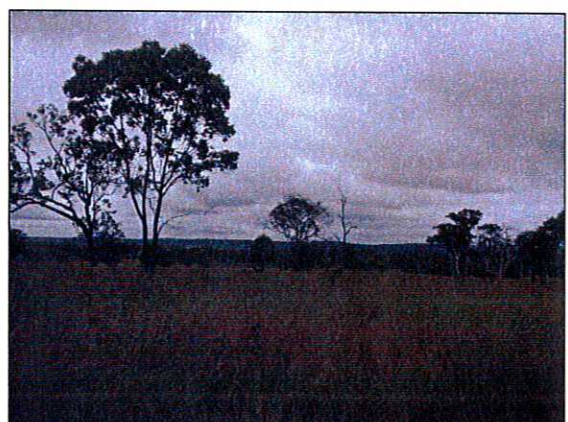
5.6 Topography contd

The remaining country is generally good quality grazing land with spotted gum, narrow leaf ironbark and gumtop box flats rising to undulating to hilly country on the western side of the property. There are approximately 400 hectares between the creek and the road which are considered first class fattening country.

Attached at the rear of this report under Appendix 2 is a copy of the Regional Ecosystem map. This indicates the areas affected by the Department of Environment and Resource Management. There are areas classified as sub-dominant which are predominantly located on Lot 96 and 98.

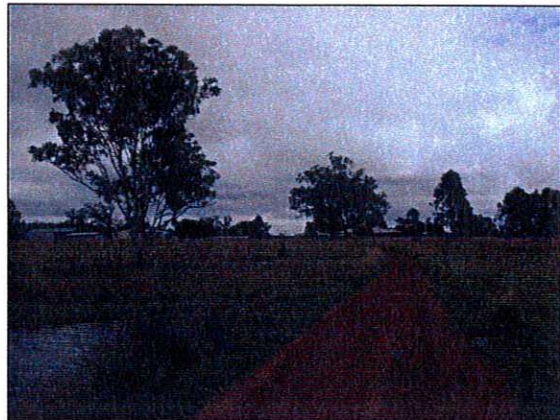
The property is not within a publicly known landslip area, however, this could be confirmed by obtaining copies of relevant searches from the Council and other authorities should this be considered necessary.

The property is not within an area which is publicly known to be subject to subsidence, however, this could be confirmed by enquiries from the Council and other authorities should this be considered necessary.



5 | Land Description contd

5.6 Topography contd



6 | Water Details

The property is traversed by Windera Creek which provides semi-permanent waterholes for stock water. On Windera Creek is a Licensed Weir which feeds into a dam with an estimated capacity of between 500-600 megalitres. A Water Harvesting Licence allows for water to be harvested when Windera Creek is running. This dam is used for irrigation with 80 hectares being reliable irrigation and 40 hectares being opportunity irrigation.

At date of inspection the dam was near full and there was an abundance of bird life on and around the dam.

6 | Water details contd



7 | Environmental issues

This report is not an environmental audit and no advice is given in any way relating to environmental matters. Any comments given as to environmental factors in relation to the property are not given in the capacity as an expert.

7.1 Existing and Past Uses

The use and occupation of the land by the current owner has been that of grazing purposes and growing of crops.

At the date of inspection we have no knowledge of any contamination of the land which may have resulted through those uses.

Based on our site observations, the likelihood of contamination from the current use along with previous and surrounding uses is remote.

The property does not appear to contain site fill.

The property appears to be an environmentally acceptable security.

7 | Environmental issues contd

7.1 Existing and past uses contd

We have not been provided with an environmental audit, nor are we aware of the property valued being affected by soil contamination. We have not investigated the site beneath the surface or undertaken vegetation or soil sampling. If contamination of the land is found to exist this would seriously impact upon the assessed value resulting in a reduction of our valuation assessment.

Our valuation has been based upon the assumption that the land is not contaminated. However, we recommend that you retain the services of a person possessing the requisite expertise in such matters in order to establish the extent of any contamination. Given contamination issues can have a significant impact on the market value of the property, we reserve the right to review and if necessary vary our valuation if any contamination or other environmental hazard is found to exist.

8 | Improvements

Situated on the land are a number of improvements. Details are as follows.

Main dwelling

The dwelling is of low set construction and has a total living area of approximately 269m² with verandah and patio area of approximately 105m².

A summary of construction and accommodation are as follows:

Construction:

Foundations:	Round timber stumps
Floors:	Timber
Main external walls:	Weatherboard
Window frames:	Aluminium
Roof:	Corrugated galvanised iron
Main interior linings:	Timber and plasterboard

Accommodation

Dining room:	Vinyl floorcoverings, split system air conditioner
Living room:	Polished timber floors, split system air conditioner
Family room:	Polished timber floors, split system air conditioner
Kitchen:	Vinyl floorcoverings, single bowl sink, electric under bench oven, electric hot plates, laminated benchtops, timber cupboards, laminated splashback, rangehood, dishwasher
Laundry:	Vinyl floorcoverings, double laundry tub
Main bedroom:	Polished timber floors, walk-in robe
Bedroom x 3:	Polished timber floors, built-in robes
Bedroom x 1:	Carpet floorcoverings, in-wall air conditioner

8 | Improvements contd

Accommodation

Bathroom:

Toilet:

Study:

Storeroom:

Fixtures and Fittings

Vinyl floorcoverings, bath with shower accessories, vanity unit, IXL fan

Vinyl floorcoverings, toilet suite

Polished timber floor, built-in desk and shelves

Vinyl floorcoverings, built-in cupboards

The dwelling has insect screens. Other improvements surrounding dwelling include:

- Garden shed;
- Rainwater tanks;
- Rotary clothes line;
- Detached 68m² colorbond shed;
- Aviary;
- Two covered outdoor areas;
- Full size tennis court;
- Timber paling fencing; and
- Moderate landscaping.



Cottage

The cottage is of low set construction and has a total living area of approximately 164m².

A summary of construction and accommodation are as follows:

Construction:

Foundations:

Floors:

Main external walls:

Window frames:

Roof:

Main interior linings:

Round timber stumps

Timber

Weatherboard

Aluminium

Corrugated galvanised iron

Timber and plasterboard

8 | Improvements contd

Accommodation

Dining room:

Living Room:

Kitchen:

Laundry:

Main bedroom:

Bedroom x 2:

Bathroom:

Toilet:

Study:

Sleepout:

Storeroom:

Fixtures and Fittings

Vinyl floorcoverings

Carpet floorcoverings, split system air conditioner

Vinyl floorcoverings, one and half bowl sink, upright electric stove, built-in pantry, laminated benchtops and cupboards, tiled splashback

Vinyl floorcoverings, double laundry tub

Vinyl floorcoverings, built-in robes

Carpet floorcoverings, built-in robes

Vinyl floorcoverings, bath with shower accessories, vanity unit

Vinyl floorcoverings, toilet suite

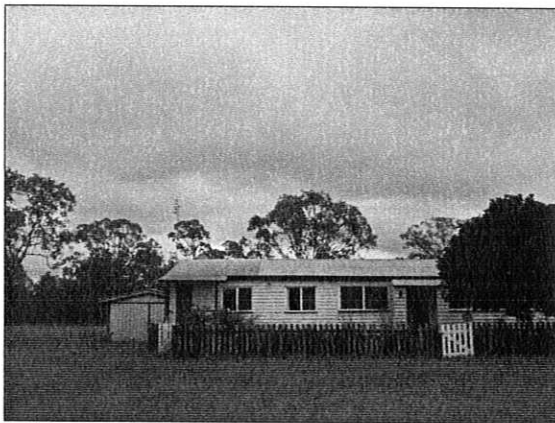
Carpet floorcoverings, built-in desk and shelves

Painted timber floor

Carpet floorcoverings, built-in shelves

The cottage has security doors and insect screens. Other improvements surrounding dwelling include:

- Rainwater tanks;
- Timber paling fencing; and
- Detached 21m² metal deck shed.

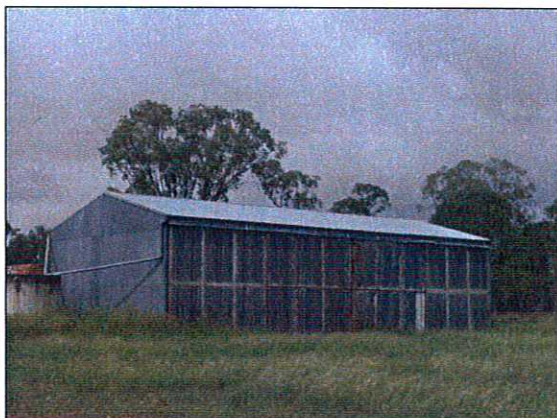
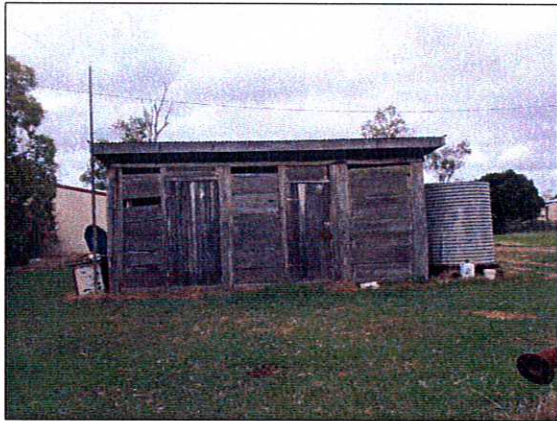


Other improvements include:

- Detached 25m² old timber slab hut;
- Detached 209m² open bay shed constructed of earthen floor, timber framing with corrugated galvanised iron roof;
- Detached 87m² workshop constructed of part earthen part concrete floor, a combination of timber and steel framing with corrugated galvanised iron roof and some external cladding;
- Detached 162m² hay shed constructed of earthen floor, steel framing and metal deck roof and external cladding;

8 | Improvements contd

- 2 x garden sheds;
- Detached 102m² open bay shed constructed of earthen floor, steel framing, metal deck roof;
- Detached 461m² open bay hay shed constructed of earthen floor, timber posts, steel framing and corrugated galvanised iron roof;
- Timber yards predominantly of 4 rail construction; and
- Fully boundary fenced and divided into a number of paddocks. Fencing appeared to be in good condition.



8 | Improvements contd

The existing improvements provide the property with functional utility.

A detailed survey of areas has not been sighted. If a survey reveals any inaccuracies from the areas as adopted herein, then this valuation may require amendment and we recommend you refer this valuation, together with a copy of the survey, to us for comment.

9 | Condition and Repairs

This report is not a structural survey and no advice is given in any way relating to structural matters. Any opinion given as to the condition of the improvements on the property is not given in the capacity as an expert.

During our inspection the improvements appeared to be in reasonable condition.

Our inspection of the subject property did not reveal any visible signs of pest infestation. An inspection is recommended by a suitably certified pest control firm should this be considered necessary. Our valuation assumes that there is no pest infestation or damage to the building caused by pests.

We have attempted to reflect the current condition of the improvements in forming our opinion of value.

10 | Site Use Assessment

10.1 Highest and Best Use Definition

As defined in the Australian Property Institute Professional Practice (2006), highest and best use may be defined as follows: -

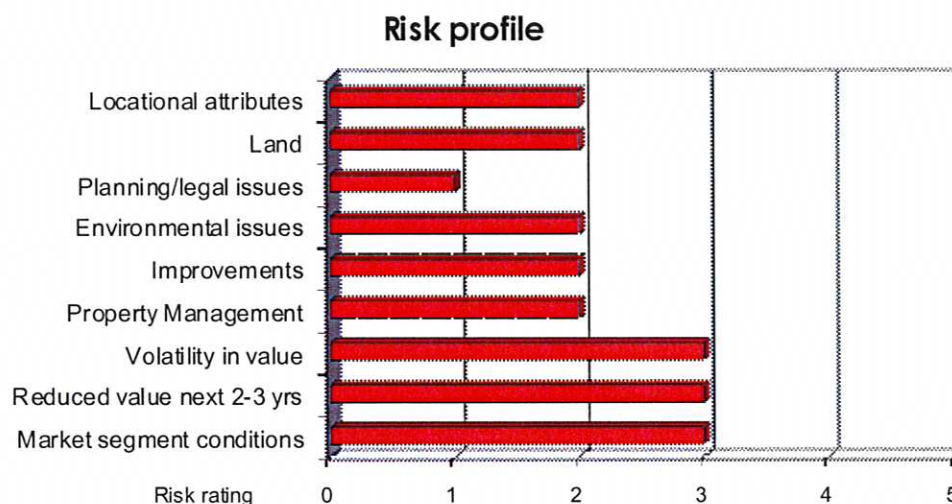
"The most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible and which results in the highest value of the property being valued"

10.2 Highest and Best Use of Subject

Highest and best use of the subject property is considered to be for grazing purposes and growing of crops which is consistent with the property's current use.

11 | Risk Review

Based on the attributes of the property the valuer has considered the risk profile of the property. The risk profile is considered to be best illustrated graphically, as follows:



Risk ratings: 1 - Low 2 - Low to medium 3 - Medium 4 - Medium to high 5 - High

The above risk ratings are based on general knowledge and information currently available. Ultimately current perceptions of risks may not prove to be accurate.

Comments regarding Land and Environmental Issues: The subject property adjoins Winderah Creek with the creek flats being subject to flooding in moderate flood events.

Comments regarding Volatility in Value: Some significant variance in prices being achieved, has been noted and the degree of variance has further increased recently.

Comments regarding Reduced Value Next 2-3 years: Sales of rural properties within the area have slowed in recent years in line with economic conditions. There has been a correction in values and risk is heightened while current market conditions continue.

Comments regarding Market Segment Conditions: Demand for rural properties such as the subject is currently below average in the current market. In more recent times rural property values have slowed and sales activity has declined due to the recent economic crisis. As a result an extensive professional marketing campaign would be required for any sale of the subject property with a likely selling period from 6 to 12 months and possibly longer could be anticipated.

12 | SWOT Analysis

Strengths

- Very good sized dam
- Access to good irrigation water
- Creek frontage
- Ability to be utilised for other pursuits
- Room for expansion
- Good size holding
- Location

Weaknesses

- Creek flats are subject to flooding but only in extreme conditions

Opportunities

- Ability to be utilised for a variety of agricultural pursuits

Threats

- Natural pests
- Drought
- Market forces
- Climate forces

13 | Market Evidence

This valuation is based on information and market evidence reasonably available to the valuer as at the date of valuation in accordance with usual valuation practices.

Due to privacy laws and/or confidentiality agreements, the valuer may not have been able to access personal details of parties involved in transactions considered by the valuer in connection with the preparation of this report. Where personal details are not available the valuer is unable to confirm whether such dealings are arm's length transactions. The valuation has been prepared assuming any such transactions are arm's length.

Due to privacy laws and/or confidentiality agreements, the valuer may not have had access to information on recent transactions which are yet to become public knowledge. In the event that other transactions have taken place, knowledge of those transactions may affect the opinion expressed by the valuer.

13.1 Sales Evidence

In forming our opinion of value we have had regard to various sales transactions, a selection of which are detailed below. Our analysis has been based on various sources of information. While we believe the information to be accurate, not all details have been formally verified. Please note sales have been analysed on a Treated, Fenced and Watered basis.

13 | Market Evidence contd

13.1 Sales Evidence contd

Sale No.	Address	Sale Date	Land Area	Sale Price
1	8662 Burnett Highway, Tansey Lot 72 on Plan MZ 148 Comments: Predominantly easy undulating ironbark and bluegum forest grazing country. Watered via stock bore and three dams. Improved with a colorbond single bedroom cottage and 216m ² shed. Allowing \$30,000 for improvements, this analyses to \$2,580/hectare.	19/11/09	184.1ha	\$505,000
2	Boonimba Road, Boobyjan Lot 246 on Plan MCK 3778, Lot 11, 7 & 18 on Plan MZ 60 Comments: A grazing and farming block severed by road. Has frontage to Winderah Creek and has approximately 75 hectares of black soil cultivation. Improved with shed. Grazing country is a mix of cleared undulating forest country rising to timbered ridges. Sale analyses to \$6,000/hectare for cultivation and \$1,261/hectare for grazing country.	30/04/10	344.6ha	\$790,000
3	Cockings Road, Coalstoun Lakes Lot 1 & 3 on Plan MZ 284 & Lot 2 on RP 857498 Comments: Three adjoining grazing blocks with a mix of scrub soils and rising to forest ridges. Included an old shed. Analyses to \$2,015/hectare.	02/09/09	198.5ha	\$400,000
4	1127 Silverleaf Road, Byee Lot 60 on RP 28448 & Lot 1 on RP 28449 Comments: Two adjoining fully cleared irrigated blocks which are utilised for cultivation purposes. Both blocks front Barambah Creek. Property is improved with low set dwelling, 4 bay shed, 2 bay shed, old CGI shed, grain shed, triple garage and silos. Allowing \$300,000 for improvements, sale analyses to \$14,962/hectare on a treated, fenced and watered basis. This property suffered in the recent floods. Sale occurred prior to floods.	19/03/10	53.47ha	\$1,100,000
5	1402 Gayndah Road, Merlwood Lot 18 – 19 on SP 168083 Comments: Two adjoining mostly cleared blocks which consist of moderately sloping country with approximately 70 hectares of dryland cultivation. Land consists of reddish soils which have been contoured. Property is improved with substantial brick veneer dwelling with attached triple bay garage, 2 dams and large colorbond shed. Allowing \$300,000 for improvements, sale analyses to \$6,798/hectare.	05/10/10	80.91ha	\$850,000
6	1912 Gayndah Road, Cloyna Lot 2 on RP 150030 Comments: A fully cleared block which consists of gently sloping country with approximately 50 hectares of dryland cultivation. Land consists of brownish soils which have been contoured. Property is improved with two timber dwellings, good dam and sheds. Allowing \$110,000 for improvements, sale analyses to \$5,910/hectare.	24/07/10	82.91ha	\$600,000

13 | Market Evidence contd

13.1 Sales Evidence contd

Sale No.	Address	Sale Date	Land Area	Sale Price
7	Boonimba Road, Booubyjan Lot 168 on SP 242087 Comments: A diversified block with frontage to Winderah Creek. There are approximately 120 hectares of laser levelled cultivation with good quality creek soil flats. From these flats the country rises up to semi cleared forest country with some rocky ridges. Water is provided by permanent holes in Winderah Creek. Sale analyses to \$6,500/hectare for cultivation and \$1,000/hectare for grazing country.	U/C	374.9591ha	\$1,035,000

13.2 Sales Evidence Conclusion

Sale No. 7 provides the best comparison. This sale was originally a part of 'Winderah Station' and adjoins Lot 10 on its northern boundary and Lot 169 on its eastern boundary. It has 120 hectares of dryland cultivation with similar creek soil flats.

Sale No. 2 also offers a good comparison. It is considered similar type country and is located just to the north.

Sale No. 1 is located within the same area as the subject but is considered superior grazing soils.

Based on the sales evidence I have applied a rate of \$10,000/ha for the irrigated cultivation, \$6,500/ha to the dryland cultivation, \$2,000/ha for the fattening country and for the remaining land, I have applied \$1,000/ha.

14 | Valuation Rationale/Methodology

Our valuation has been assessed in accordance with the API Professional Practice Standards and Guidance Notes.

The standards require for valuations for mortgage security purposes that owner occupied properties be valued on a vacant possession basis for lending purposes.

14.1 Adopted Valuation Method

In order to assess the value I have adopted the Direct Comparison method of valuation. Due regard has been given to sales of comparable properties, as discussed under the market evidence section of this report.

14 | Valuation Rationale/methodology contd

14.2 Direct Comparison Method

The Direct Comparison method of valuation involves examining sales of properties which are as similar to the subject property as possible, and, subsequent to making the appropriate adjustments, place a value on the property based upon the evidence of value as demonstrated by the sales.

After considering the sales evidence and having regard to location and current market and economic conditions, we have applied the following rates to the land and have then summated the depreciated added value of the improvements.

Calculations indicate:

Component	Value
Land	
80ha @ \$10,000/ha	\$1,000,000
40ha @ \$6,500/ha	\$260,000
400ha @ \$2,000/ha	\$800,000
1,542.676ha @ \$1,000/ha	\$1,542,676
Improvements	
Dwelling	\$180,000
Cottage	\$50,000
Sheds	\$80,000
Yards & Miscellaneous	\$30,000
Total	\$3,742,676

Adopt \$3,745,000

15 | General Comments

'Winderar Station' is a well known property in the South Burnett Region having been owned for many years by the Lawless Family. It was originally a large aggregation. The present owners have owned the property for 25 years and it is now a diverse rural property with exceptional water and good quality improvements.

16 | Valuation

The subject property has been inspected and all known facts and relevant features have been taken into consideration including location, topography, quality of improvements and current and economic market conditions. It is my opinion that the Market Value of the subject property is:

Component	Value
Land	\$3,405,000
Plus Improvements	\$340,000
Total	\$3,745,000

(Three Million Seven Hundred and Forty Five Thousand Dollars)

Insurance Value: \$500,000

This valuation is subject to the definitions, qualifications and disclaimers and other comments contained within this report.



ALAN J GEES FAPI
REGISTERED VALUER (QLD) NO. 1600
PRINCIPAL
WIDE BAY – OPTEON

17 | Qualifications and Disclaimers

This valuation report has been prepared under specific terms of engagement whereby we have relied on information supplied by the instructing party and undertaken our own preliminary investigations. This information should be confirmed by the client by more detailed investigations should they consider this necessary. We have not:

- investigated native title interests;
- in the case of strata titled properties, reviewed the records of the body corporate;
- conducted a site survey to identify any possible encroachments;
- investigated site contamination or undertaken soil sampling and analysis;
- searched heritage registers or other restrictions;
- prepared or reviewed a condition/structural report;
- prepared an asbestos audit;
- reviewed compliance with maintenance of essential health and safety features and measures.

We reserve the right to review, and if necessary amend the valuation, should any additional information be supplied which may impact on the valuation.

17| Qualifications and Disclaimers contd

We certify that the valuer and/or the valuation firm do not have any conflict of interest, or direct, indirect or financial interest in relation to this property that has not been disclosed.

This valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of three months from the date of the valuation, or such earlier date if you become aware of any factors that have any effect on the valuation. We recommend the valuation be reviewed at regular intervals.

This report has been prepared for the private and confidential use of our client, Mr. Mark Kratzmann for Accounting Purposes. It should not be reproduced in whole or part without the express written authority of Wide Bay Opteon or relied upon by any other party for any purpose and the valuer shall not have any liability to any party who does so. Our warning is registered here, that any party, other than those specifically named in this paragraph should obtain their own valuation before acting in any way in respect of the subject property.

This valuation should be read in its entirety, inclusive of any summary and annexures. The valuer and valuation firm does not accept any responsibility where part of this report has been relied upon without reference to the full context of the valuation report.

The publication of the valuation or report in whole or any part, or any reference thereto, or the names and professional affiliations of the valuers is prohibited without the prior written approval of the valuer as to the form and context in which it is to appear.

Appendices

Appendix 1
Title Search

CURRENT TITLE SEARCH

ENVIRONMENT AND RESOURCE MANAGEMENT, QUEENSLAND

Request No: 11174395
Search Date: 21/03/2011 09:56

Title Reference: 16565050
Date Created: 31/01/1984

Previous Title: 16497224

REGISTERED OWNER

Dealing No: 713622889 13/12/2010

MARK EDWARD KRATZMANN

ESTATE AND LAND

Estate in Fee Simple

LOT 10 REGISTERED PLAN 195480
County of MACKENZIE Parish of WINDERA
Local Government: GYMPIE

EASEMENTS, ENCUMBRANCES AND INTERESTS

1. Rights and interests reserved to the Crown by
Deed of Grant No. 10285206 (POR 42)
2. EASEMENT No 713444262 03/09/2010 at 10:23
burdening the land to
LOT 1 ON RP195480
OVER EASEMENT B ON SP238510
3. MORTGAGE No 713622890 13/12/2010 at 14:37
AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED A.B.N. 11
005 357 522

ADMINISTRATIVE ADVICES

Dealing	Type	Lodgement Date	Status
710708192	WATER NOTICE WATER ACT 2000	18/06/2007 15:08	CURRENT
710745482	WATER NOTICE WATER ACT 2000	25/06/2007 12:56	CURRENT

UNREGISTERED DEALINGS - NIL

CERTIFICATE OF TITLE ISSUED - No

Caution - Charges do not necessarily appear in order of priority

** End of Current Title Search **

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Requested By: D APPLICATIONS ABR

CURRENT TITLE SEARCH

ENVIRONMENT AND RESOURCE MANAGEMENT, QUEENSLAND

Request No: 11174437

Search Date: 21/03/2011 09:58

Title Reference: 50836847

Date Created: 27/01/2011

Previous Title: 16497225

16497226

REGISTERED OWNER

Dealing No: 713673365 20/01/2011

MARK EDWARD KRATZMANN

ESTATE AND LAND

Estate in Fee Simple

LOT 169 SURVEY PLAN 242087

County of MACKENZIE

Parish of WINDERA

Local Government: GYMPIE

EASEMENTS, ENCUMBRANCES AND INTERESTS

1. Rights and interests reserved to the Crown by
Deed of Grant No. 12524233 (POR 69)
Deed of Grant No. 12545185 (POR 68)
2. MORTGAGE No 713622890 13/12/2010 at 14:37
AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED A.B.N. 11
005 357 522

ADMINISTRATIVE ADVICES - NIL

UNREGISTERED DEALINGS - NIL

CERTIFICATE OF TITLE ISSUED - No

Caution - Charges do not necessarily appear in order of priority

** End of Current Title Search **

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Requested By: D APPLICATIONS ABR

CURRENT TITLE SEARCH

ENVIRONMENT AND RESOURCE MANAGEMENT, QUEENSLAND

Request No: 11174485

Search Date: 21/03/2011 10:00

Title Reference: 12545099

Date Created: 15/05/1951

REGISTERED OWNER

Dealing No: 713622889 13/12/2010

MARK EDWARD KRATZMANN

ESTATE AND LAND

Estate in Fee Simple

LOT 96 CROWN PLAN MZ531
County of MACKENZIE Parish of WINDERA
Local Government: SOUTH BURNETT

EASEMENTS, ENCUMBRANCES AND INTERESTS

1. Rights and interests reserved to the Crown by
Deed of Grant No. 12545099 (POR 96)
2. MORTGAGE No 713622890 13/12/2010 at 14:37
AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED A.B.N. 11
005 357 522

ADMINISTRATIVE ADVICES - NIL

UNREGISTERED DEALINGS - NIL

CERTIFICATE OF TITLE ISSUED - No

Caution - Charges do not necessarily appear in order of priority

** End of Current Title Search **

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Requested By: D APPLICATIONS ABR

CURRENT TITLE SEARCH

ENVIRONMENT AND RESOURCE MANAGEMENT, QUEENSLAND

Request No: 11174505

Search Date: 21/03/2011 10:01

Title Reference: 12545100

Date Created: 15/05/1951

REGISTERED OWNER

Dealing No: 713622889 13/12/2010

MARK EDWARD KRATZMANN

ESTATE AND LAND

Estate in Fee Simple

LOT 98 CROWN PLAN MZ531

County of MACKENZIE Parish of WINDERA

Local Government: SOUTH BURNETT

EASEMENTS, ENCUMBRANCES AND INTERESTS

1. Rights and interests reserved to the Crown by
Deed of Grant No. 12545100 (POR 98)
2. MORTGAGE No 713622890 13/12/2010 at 14:37
AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED A.B.N. 11
005 357 522

ADMINISTRATIVE ADVICES - NIL

UNREGISTERED DEALINGS - NIL

CERTIFICATE OF TITLE ISSUED - No

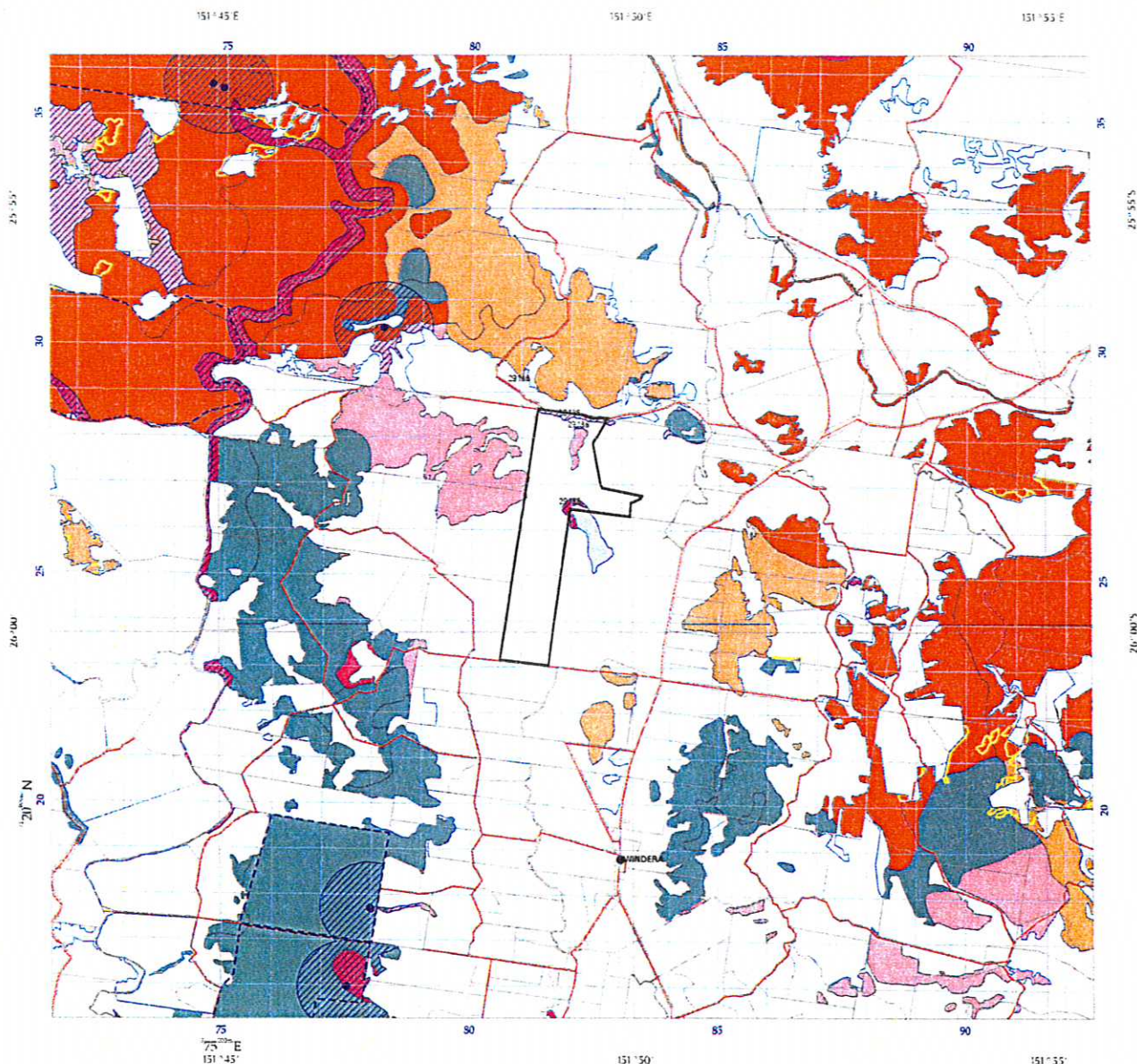
Caution - Charges do not necessarily appear in order of priority

** End of Current Title Search **

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Requested By: D APPLICATIONS ABR

Appendix 2 Vegetation Map



Vegetation Management Act Essential Habitat Map Version 3.0

Remnant vegetation containing endangered regional ecosystems

- Dominant
- Sub-dominant
- Remnant vegetation containing of concern regional ecosystems
- Dominant
- Sub-dominant
- Remnant vegetation that is a least concern regional ecosystem
- Remnant vegetation under Section 20AH of the VMA
- Non-remnant
- Plantation Forest
- Dam or Reservoir
- Remnant Vegetation
- PMAV Category X area
- Vegetation Management Act Essential Habitat
- Vegetation Management Act Essential Habitat Species Records
- Subject Lot
- Roads
- National Park, Conservation Area State Forest and other reserves
- Cadastral line
- Property boundaries shown are provided as a locational aid only.
- Towns

Requested By: TRACEY@WBVALUATIONS.COM.AU
Date: 21 Mar 11 Time: 11:58:04

Centered on Lot on Plan:
169 SP242087



Queensland
Government



2000 0 2000 m

Horizontal Datum: Geocentric Datum of Australia 1994 (GDA94)

Labels for the Vegetation Management Act Essential Habitat are centred on the subject lot (1.1km surrounding and including a Lot on Plan). Labels correlate to the label field in the attached essential habitat database.

Regional ecosystem linework has been compiled at a scale of 1:100 000, except in designated areas where a compilation scale of 1:50 000 is available. Linework should be used as a guide only. The positional accuracy of RE data mapped at a scale of 1:100 000 is +/-100 metres. The extent of remnant regional ecosystems as of 2006, depicted on this map is based on rectified 2006 Landsat TM imagery (supplied by SLATS, Department of Environment and Resource Management).

Disclaimer:
While every care is taken to ensure the accuracy of this product, the Department of Environment and Resource Management and MapInfo Australia Pty Ltd, makes no representations or warranties about its accuracy, reliability, completeness or suitability for any particular purpose and disclaims all responsibility and all liability (including without limitation, liability in negligence) for all expenses, losses, damages (including indirect or consequential damage) and costs which you might incur as a result of the product being inaccurate or incomplete in any way and for any reason.

All datasets are updated as they become available to provide the most current information as of the date shown on this map.

Additional information is required for the purposes of land clearing or assessment of a regional ecosystem map or PMAV applications. For further information go to the web site: www.derm.qld.gov.au/vegetation or contact the Department of Environment and Resource Management.

Digital regional ecosystem data is available in shapefile format, for Lot on Plans from www.derm.qld.gov.au/REDATA or from DERM for larger areas.