

Bill Brown  
SARB Investments Ltd  
171a Victoria Rd  
St Clair  
DUNEDIN 9012

18 March 2020

Re: Estimated cost to connect to NOIC system

Dear Bill

You have asked us to estimate the cost to connect the property located on Thousand Acre Rd (lot 10 DP356427) to the North Otago Irrigation Company system in order to receive water, at pressure, for the purposes of irrigation. We have estimated that cost but remind you that it is an estimate only as we have not visited the site nor done a detailed plan for connection. However, we are confident we have provided you with a fair approximation of what the cost would be.

The property is 24.8ha and so could support a maximum of 20 NOIC shares. NOIC delivers water at around 5 bar pressure, via a mix of gravity and boosting pumps in stations located around the schemes 70,000 ha command area. Your property is around 4.1km from the location off the Waiareka Creek line that we could most efficiently provide water from. Accordingly, the requirements and costs are as follows:

Pipework	4,100m x 100mm @\$58/m	\$237,000
Pump station (to boost pressure)		\$50,000
On farm offtake (50mm/20 shares)		\$8,500
NOIC shares	20@\$5,250	\$105,000
TOTAL		<u>\$400,500</u>

Please note, you will also have on-farm costs in regard to irrigation equipment. We are not suppliers of this but understand the rough rule of thumb to be \$5,000/ha irrigated. Also note, should your neighbours wish to also connect to NOIC, some of these costs would be spread among all the applicants (eg the Pump station) and so reduce your cost accordingly.

I trust this is sufficient information at this stage but don't hesitate to let us know if we can be of further help.

Sincerely



Ben Stratford  
Manager of Operations