

20<sup>th</sup> September 2024



Mr Bert Hughes  
CEO and Forest Director  
Forest Enterprises Limited  
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Dear Mr Hughes,

**Re: Blairlogie Pine Investment - Management Plan Review**

As requested, Forme Consulting Group Limited has examined the Blairlogie Pine Forest Management Plan, which provides investment information for the Blairlogie Pine Investment Scheme. The management plan provides forest investment information relative to the tree crop being managed for future carbon or timber harvest revenues.

In reviewing the management plan, we have examined the methodologies used to determine carbon and timber forest investment metrics, including forest area definitions, Pre-1990 and Post-1989 forestland descriptions, forest growth and log and carbon yield projections, and proposed silviculture regimes. We have also reviewed the carbon forest modelling, growth, costs, and pricing assumptions used to project future carbon revenue streams.

Standard forest management methodologies have been applied to determine net stocked area, establishment and tending costs, forest protection, insurance and overall management regime.

Carbon forest management assumptions and modelling have also been checked. We understand that the 729 hectares of Post-1989 forest used as the basis for carbon modelling is already registered in the ETS and confirmed as Post-1989 forestland. Second rotation carbon growth projections are based on the existing participant-specific carbon look-up table for the first rotation crop. The carbon growth projection would be considered realistic for the location of the forest and the timing of carbon inflows based on replanting areas and carbon decay periods follow standard carbon modelling methodology.

The costs captured in the modelling not only reflect typical establishment and tending costs but also the costs associated with managing the forest for carbon returns, including field measurement, ETS administration and management, and general compliance-associated costs. The carbon pricing used to estimate future carbon revenue streams, being a flat-line carbon price growth, would be considered conservative. In general, the methodologies and assumptions used to project future carbon revenues to investors are realistic.

Forme Consulting Group Limited will provide forest operations audit services to the Blairlogie Pine Investment Scheme and thereby indirectly to the issuer. Neither Forme Consulting Group Limited, nor any of its shareholders or directors, is presently or intends to be, a director, officer, or employee of the issuer.

Forme Consulting Group Limited, forest industry consultants, has given on 20<sup>th</sup> September 2024 and has not before the delivery of a copy of the forest management plan on the offer register, withdrawn their consent to its distribution with the above report contained in the form and context in which it appears herein.

**FORME CONSULTING GROUP LTD**

A handwritten signature in blue ink that reads "K Reardon".

Kevin Reardon, Director, Forme Consulting Group Ltd,  
NZIF Registered Forestry Consultant, Member Institute of Directors