

IMPORTANT NOTICE

WATER RESTRICTIONS UPDATE #3

Since we lifted water restrictions two weeks ago, the irrigation demand and water use have skyrocketed to a peak level only exceeded one other time in the previous three seasons (see chart overleaf). We realise that conditions have been dry around the scheme and there is a lot of concern about the season ahead, however I feel we need to implement a level of restriction if we are to stay on track with our objective of maintaining supply right through the season.

We are trying a different approach to restrictions whereby we are asking irrigators to manage their own water use within a monthly cap of 75% of your monthly entitlement. It is our belief that, especially at this time of the year when the requirements of individual farmers can vary enormously around our scheme, that we are better to provide you all with as much flexibility as possible so you can decide when you water - but within a limit of overall usage.

While we can track individual use via our water ordering system, we are very reliant on the cooperation of our shareholders to make sure we all gain the maximum benefit from the restrictions. We are seeking early, accurate water orders, preferably in reasonable length time blocks, to smooth out the delivery requirements and therefore maximise the "lake to land" transfer efficiency. Inaccurate water orders and multiple flow changes will inevitably result in wastage of stored water.

For the month of November, irrigators are required to moderate their water use to use less than 75% of their volumetric allocation for the month. See the Water Restrictions section overleaf for details on this regime.

WATER STORAGE SITUATION

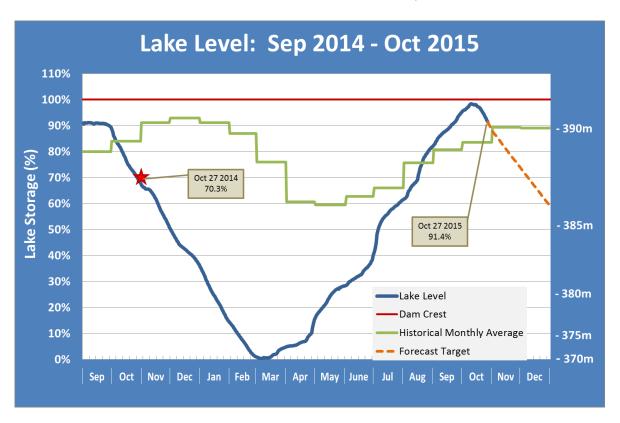
The lake level has fallen steadily since reaching its maximum 98% on October 10th. The rate of decrease has risen steadily over that time to a maximum of 0.8% per day on 26th October.

Inflows to the dam have dropped from around 8.6 cumecs on the 10th to 3.8 cumecs on 27th while our releases have steadily increased in that time from 5.4 to 9.6 cumecs.

We've had around 10mm of rain in the top of the catchment this week but have only seen a very modest and short term increase in river flows due, I expect, to the dry ground conditions that would limit any rain run-off. It's raining again as I write so hopefully we see some benefit from that.

We've stopped our monitoring of snow pack (although we may have seen a dusting back on top this week) as we are not expecting any significant contribution from melt from here

Our minimum river environmental flow for November has been set by OEFRAG initially at 5 cumecs - which is 2 cumecs below the Regional Plan flow for this month. If we are able to retain this 2 cumec reduction through the month we will realise a storage saving of over 8%. This, combined with our 75% irrigation limit will hopefully limit our overall drawdown of the lake to give a month end level of around 70% (compared with 50% in 2014)



RESTRICTIONS

We are requiring all irrigators below dam to manage their water use for November within an overall limit of 75% of their volumetric entitlement. The intention of this form of restriction is to provide farmers with some flexibility as to when and how they irrigate, but within a capped allocation of water.

To make this restriction effective however we need your cooperation.

- Please ensure you keep your Water Order up to date
- You can choose how you schedule your irrigation for instance you might choose to stay on 100% for up to three weeks and then shut down for a week or you might go two weeks at 100%, two weeks at 50%. If you are able to operate your system continuously at 75%, that's a good option.
- We prefer longer periods of downtime ideally a minimum of 4 days off — so we can avoid releasing stored water when you shut down or can redirect the water.
- 75% is a cap, not a target!
- It is our expectation that all irrigators are considering their irrigation operations very carefully and are making all efforts to limit water use and preserve storage.

- You may get a request from the Operations team to juggle a day or two to assist with the operation/distribution. We would appreciate your assistance in helping us operate efficiently.
- We will monitor individual water orders and use but, in the first instance, we expect everyone to be monitoring their own use and manage within the limit. We will be able to provide an update from our Water Order System of your use to date for the month.

Some numbers:

75% of November's entitlement is about 15% of your season entitlement. (Check your Season To Date Use in the Water Order system at the start of the month and your cap is +15%)

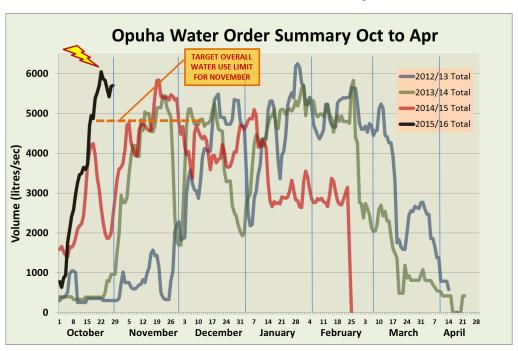
That works out at 830m³ per share for the month.

75% application rate is about 0.3 l/s per share

We will continue to monitor conditions around the scheme and in relation to the lake storage and aim to continue with fortnightly updates.

Regards





SHARES FOR SALE

52 water shares

Sale via Tender – closes 18th November 2015

Contact Opuha Office for Tender Documents Ph 03 614 7801 or office@opuha.co.nz.

Note that these can be used Above Dam but only within North Opuha catchment unless by agreement of other existing Above Dam shareholders. They can be used below the dam and will be required to have infrastructure shares attached if they are to be used within the sub-schemes — contact the office for details if required

SHARES FOR LEASE

2 water shares with 2 'L Class' shares

Contact: Jason Champion Ph 03 614 7333 or Mob 021 216 9468.