



VALUATION & REPORT
OF
THE COMMERCIAL PROPERTY
LOCATED AT
21 PINE FREEZERS ROAD
PORT LINCOLN,
HUNDRED OF LINCOLN
SOUTH AUSTRALIA.

Prepared for: Sams Seafarms.

Prepared by: P A Szumski.

Date of Valuation: 22nd June 2009.

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Property and Management Consultants.**

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Paul Szumski, B'Bus (Property), CPV, ANIA, Dip Ag.

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Mr Peter Fare
C\ Sams Seafarms
PO Box 1073
Port Lincoln SA 5606.

Dear Peter,

Your reference, letter dated 11th June 2009.

In response to your letter of instruction dated 11th June 2009, I forward an estimated market value for the property known as 21 Pine Freezers Road Port Lincoln South Australia'. As requested the property is valued on a freehold simple fee basis, and as also requested we have provided valuation based on the subdivision of the portion of the property bound by Pine Freezers Road (north east boundary), the easement marked E on the Certificate of Title (south east boundary), Part Section 502 Hundred of Lincoln (north west boundary) and the bitumen driveway separating the workshops and shed, and the Administration complex and processing facilities being the south western boundary. We estimate an area of approximately 10,000 square metres.

It must be noted that the proposed subdivision would be a 'non complying development'; therefore application for development approval would be required via the Development Assessment Panel and or the Development Assessment Commission.

The valuations below are based on the assumption that development approval would be provided by the Development Assessment Panel and or the Development Assessment Commission.

If the Development Assessment Panel and or the Development Assessment Commission, (or other statutory bodies) declined the development application, this valuation must be reviewed by the undersigned Valuer. The Valuer therefore reserves the right to alter this report and or valuations based upon decisions of the Development Assessment Panel and or the Development Assessment Commission.

For the purpose of this report we have described the proposed two allotments as lots 1 and 2, 1 being the portion of the property as described above, and lot 2 being the balance of land and buildings comprising the administration complex and processing buildings.

The valuation purpose being that the report and valuation will be used for internal balance sheet purposes and sale purposes only. Please note that this valuation is not suitable for mortgage security purposes, and may not be used for purposes other than those stated, or by third parties, without the written consent of the undersigned valuer.

Please find attached the requested valuation and report totalling 27 pages, plus appendices.

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In forming the opinion of value, the following considerations and assumptions have been used as a guide to arrive at a "market value" for the property.

1. Sales evidence of properties located within the City of Port Lincoln, South Australia.
2. Construction cost estimates as published by "Rawlinsons Australian Construction Handbook".
3. The quality of buildings, and their condition in terms of maintenance and utility, and their influence on the saleability of the property.
4. The market rental and or imputed rental that could be derived from the said property.
5. The current demand for property of this type, location, and utility.
6. The current zoning policies and regulations that affect the use and known potential utilization of the property.
7. The report should be read in its entirety so that information contained within is communicated within the entire context of the report. Disclaimers found at the back of the report should also be read to qualify certain aspects of the report, particularly where other expert advice has not been sought.

I hereby certify that I do not have any direct, indirect or financial interest in the asset as described herein.

Should you have any questions regarding the enclosed report please feel free to contact me at any time.

Yours sincerely,



Paul Szumski.
B'Bus (Property), ANIA, Dip Ag.
Certified Practising Valuer, AAPI.
15th July 2009.

**COMMERCIAL PROPERTY
VALUATION AND REPORT.**

INTRODUCTION.

1) Scope of Report.

The following valuation and report has been requested by 'Mr Peter Fare, C/- Sams Seafarms, PO Box 1073, Port Lincoln SA 5606'.

The property is valued given the view that it is for sale on the open market, in contrast to being evaluated as part of a going concern or for some other purpose.

As requested the properties are valued on a freehold simple fee basis. The valuation purpose being that the report and valuations will be used for **Internal Balance Sheet and Accounting, and sale purposes only.**

This report and valuations are not suitable for nor may it be used for **Mortgage Security** purposes. This report may not be used in part or in full for purposes other than those stated, nor may it be used by third parties for any purpose without the written consent of the undersigned Valuer.

The valuations have been completed on an '**As If Complete**' basis. The market value 'As If Complete' assessed herein is the market value of the proposed development / subdivision as detailed in this report on the assumption that all development has been satisfactorily completed in accordance with the plans and specifications provided and relied upon as at the date of this report. The valuations assume that the proposed subdivision will comply with all local authority approvals, and that development is completed to the standards acceptable in the marketplace. The valuations reflect the Valuer's view of the market conditions existing at the date of the report and does not purport to predict the market conditions and the value at the actual completion of the improvements due to time lag involved in the building process.

The "as if complete" values assessed herein are the market values of the proposed or completed development as detailed within this report on the assumption that all development has been satisfactorily completed in all aspects as at the date of this report. The valuations reflect the Valuers' view of the market conditions existing at the date of this report and does not purport to predict the market conditions of the properties because of time lag.

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Accordingly the “as if complete” valuations must be confirmed by a further inspection by the undersigned Valuer, initiated and instructed by the client, on completion of the development and issue of titles. The undersigned Valuer reserves the right to review and if necessary, vary the valuations and report if there are any changes in relation to the project itself, or in property market conditions.

2) Basis of Valuation.

The assessment is based on standard definitions and the valuation methodology outlined within the body of this report, and represents the undersigned valuers’ opinion as at the date of valuation. It must be recognised that the property market fluctuates over time due to external and internal circumstances, and that the undersigned valuer will not be liable for any losses relating to these internal or external influences and fluctuations.

The valuations are based on the subdivision of the property into 2 allotments, allotment 1 being the portion of the property bound by Pine Freezers Road (north east boundary), the easement marked E on the Certificate of Title (south east boundary), Part Section 502 Hundred of Lincoln (north west boundary) and the bitumen driveway separating the workshops and shed, and the Administration complex and processing facilities being the south western boundary. We estimate an area of approximately 10,000 square metres.

Allotment 2 being the balance of the property, i.e. the balance of land and buildings comprising the administration complex and processing buildings.

It must be noted that the proposed subdivision would be a ‘non complying development’; therefore application for development approval would be required via the Development Assessment Panel and or the Development Assessment Commission.

The valuations below are based on the assumption that development approval would be provided by the Development Assessment Panel and or the Development Assessment Commission.

If the Development Assessment Panel and or the Development Assessment Commission, (or other statutory bodies) declined the development application, this valuation must be reviewed by the undersigned Valuer. The Valuer therefore reserves the right to alter this report and or valuations based upon decisions of the

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Development Assessment Panel and or the Development Assessment
Commission.

3) Goods and Services Tax.

The Goods and Services Tax (GST) system became law on the 8th July 1999, and commenced operation on the 1st July 2000. In general rental payments for non-residential leases became subject to GST. There have been exclusions and allowances, and deferrals under the transitional provisions of the Act. The sale of non-residential property may also be subject to tax payable under the GST provisions, and the amount payable may differ dependant on the tax status of the entity involved, the operation of the "Margin Scheme" and the transitional arrangement that may apply to the transaction.

The valuation and report has been prepared on a GST exclusive basis with no provision for the application of any GST that may be applicable by the supplier (vendor) on a hypothetical sale of the property on the date of valuation. The application of GST is an important and complex issue and the undersigned valuer recommends that interested parties consult a qualified tax expert to ensure that their financial interests in this property are not compromised.

It should be noted that under the provisions of GST legislation, the sale of the subject property would be free of GST if it were sold as a "Going Concern".

VALUATION REPORT.

Source of instruction, and client,

Written instruction from "Mr Peter Fare, C/- Sams Seafarms, PO Box 1073, Port Lincoln SA 5606".

Property address,

The property street address is '21 Pine Freezers Road Port Lincoln, South Australia 5606'.

Date of Inspection.

The property was inspected on the '22nd and 23rd June 2009'.

Date of Valuation.

The date of valuation is at the date of inspection, being the '22nd June 2009'.

Title details,

The legal description of the property is contained within 'Certificate of Title Register Book Volume 5631 Folio 976 being Allotment 51 Deposited Plan 50823 in the area named Port Lincoln, Hundred of Lincoln'.

Encumbrances, Easements, etc.

The Certificate of Title is subject to an easement over the land marked C together with free and unrestricted rights of way over the land marked E.

The title is also subject to a registered mortgage by the Westpac Banking Corporation, Mortgage No. 8607387.

Registered proprietors,

The registered proprietors of the property are listed as "DI Fishing Co Pty Ltd of PO Box 1491 Port Lincoln SA 5606".

Purpose of Valuation,

The purpose of the valuation as requested, is to determine the 'freehold market value', of the said land and buildings for 'internal accounting purposes' (lot 2); and for sale purposes (lot 1).

Statutory controls,

The property is zoned Industry, Policy Area 14 (Proper Bay Road) under the City of Port Lincoln Development Plan – Consolidated 6th March 2009.

The current development and use is considered a 'Conforming Use' development.

According to the Development Plan, the minimum subdivision of allotments south of Pine Freezers Road is 10,000 square metres, therefore the proposed subdivision would be considered a 'non-conforming' development.

“8 Allotments to the south of Pine Freezer’s Road should have a minimum lot size of 10,000m² to allow for the development of large scale industrial enterprises in this area”.

In regard to the proposed subdivision, it would appear that a precedent has been set for allotments of less than 10,000. Lots 1-9 Pine Freezers Rd originally a 1.689 hectare property has recently been subdivided into 3 allotments of area between 5,481 and 5,933 square metres. We therefore have a reasonable degree of confidence that application to subdivide into two allotments would be approved.

A Copy of the zoning policy can be found in the Appendices of this report.

Land area,

The total land area is approximately 1.601 hectares.

We have estimated that lot 1 will have an area of approximately 10,000 square metres, and allotment 2 the balance being approximately 6010 square metres.

The proposed subdivision would therefore be a non-complying development due to allotment 2 being less than 10,000 square metres.

Current Land Use and Occupancy.

Allotment 1 is currently used / leased by the Stehr Group for industry purposes.

Allotment 2 was previously utilised for fish processing, maintenance, and administration of the 'DI Fishing' enterprise.

Structural improvements,

Allotment 1,

Proposed allotment 1 is improved by a workshop, and a relatively new large shed building.

Workshop, 345 square metres plus open bay of 57 sqm.

Corrugated iron shed with a CGI gabled roof and skillion roofed bay. Concrete flooring, timber and steel frame. Attached to the rear of the workshop is a small office area.

Large storage shed. 564 square metres.

Steel sheet clad clearspan shed, with sliding door access, built upon a concrete slab foundation.



Allotment 2,

Constructed upon proposed allotment 2 is an office and administration building, a processing plant and staff amenities building, and a store / workshop.

Approximate areas and summary of construction are as follows;

Office administration building 245 square metres,

Solid brick walls built upon a concrete slab foundation, steel deck roofing, and internally lined with solid rendered painted plaster, and plasterboard painted ceilings. Accommodation comprises a reception area, manager's office, enclosed atrium style courtyard, boardroom, computer room, office, bathroom, and kitchenette. The building presents well and appears in very good condition.

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Processing area and Staff Amenities building 786 square metres,

Two storey solid brick walls with insulated sandwich board on the lower level, solid masonry plaster lined on upper level, part steel sheet walls at the western portion of the building. Floors on both levels are reinforced concrete.

Accommodation consists of a processing area on the ground level, delivery area, storage area, ice store, loading area, 3 x offices. The upper level has male and female toilet and change rooms, staff lunchroom, and kitchen.



Warehouse / Net Shed 525 square metres. Clad with corrugated iron, timber framing, concrete floor, corrugated iron gabled roof. Accommodation consists of open storage area, 2 x stores, workers kitchen / lunchroom.



Other Improvements.

The site is also improved by approximately 550 metres of cyclone fencing around the perimeter of the site, approximately 1,800 square metres of bitumen paving for roadway and carparking, and approximately 500 square metres of concrete paved roadway, an area of concrete paver bricks, and some modest landscaping.

Caution.

It must be noted that the undersigned Valuer did not have internal access to the buildings location on proposed allotment 2 due to keys not being available. As discussed with Mr Peter Fare on site, the valuations are based on notes taken during an inspection of the buildings during a valuation inspection on 15th February 2006. The Valuer therefore reserves the right to alter this report and valuation if it is found that the quality and maintenance of the buildings have materially altered since the last internal inspection.

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Definition of Market Value.

The International Valuation Standards Committee defines market value as:

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

The valuation assumes a professional marketing campaign is undertaken, reflecting a period of no more than six (6) months. The estimated market values contained within this report are exclusive of GST.

Definition of Market Rental Value.

The ‘Australian Property Institute’ defines market rental value as;

“Market Rental Value is the estimated amount for which a premises should rent, with vacant possession on the date of valuation, after proper marketing, between a willing lessor and a willing lessee in an arm’s length transaction, wherein the parties had each acted knowledgeably, prudently, and without compulsion having had regard to the market terms and conditions for leases of similar premises”.

The rental is assessed on the assumption the vacated premises are fit, and fully functional for immediate occupation and commencement of business operations. It also ignores any lessee’s improvements or goodwill that may be attached to the premises by reason of the lessee’s business.

Valuers Interest.

All persons associated with ‘Town and Country Valuers, Property and Management Consultants’ and or associated entities have no pecuniary interest in, or with parties associated with the impending transactions that would conflict with the independent valuation of the property.

Valuation Methodology,

Methodology Summary,

Typically commercial / industrial property is valued by the '**Direct Comparison**' method and or the '**Income Capitalisation Approach**'. Given the lack of sufficient sales or market evidence available, we have also utilised the '**Summation Approach**' to estimate the 'Freehold Value' of the property

The methods are summarised below.

The valuation is undertaken on an unencumbered basis.

Method 1.

The **Sales Comparison Approach**, is a comparative method that considers 'sales' of similar or substitute properties and related market data, and establishes a value estimate by processes involving comparison. In general, a property being valued (a subject property) is compared with sales of similar properties that have been transacted in the open market. Listings and offerings may also be considered.

The valuation is undertaken on an unencumbered basis.

Method 2.

The '**Income Capitalisation Approach**' is a comparative approach that considers estimated current or imputed income and expense data relating to the property being valued and estimates value through a capitalisation process. Capitalisation relates income (usually a net income figure) and a defined value type by converting an income amount into a value estimate. This process may consider direct relationships (known as capitalisation rates), yield or discount rates (reflecting measures of return on investment), or both. In general, the principle of substitution holds that the income stream which produces the highest return commensurate with a given level of risk leads to the most probable value figure.

Method 3.

The **Summation Method** or **Cost Approach** considers the possibility that, as a substitute for the purchase of a given property, one could construct another property that is either a replica of the original or one that could furnish equal utility. In a real estate context, one would normally not be justified in paying more for a given property than the cost of acquiring equivalent land and constructing an alternative structure, unless undue time, inconvenience, and risk are involved. In practice, the approach also involves an estimate of depreciation for older and/or less functional properties where an estimate of cost new unreasonably exceeds the likely price that would be paid for the appraised property.

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Highest and Best Use,

In terms of the development and its location, and given the zoning policy guidelines, locality, and physical attributes of the property etc, the current use (industrial) represents the highest and best use of the property.

Tenure,

The tenure of the site is fee simple. (Freehold title).

Title identification details,

The property has been satisfactorily identified by the Certificate of Title.

The valuer has no reason to believe there are encroachments onto the property however a survey has not been carried out, and interested parties should make their own enquiries if they believe a more comprehensive survey and identification is required.

Boundaries for the proposed allotments have not been identified and therefore the undersigned Valuer reserves the right to alter this report and valuations based upon a survey plan of the proposed subdivision.

Locality,

The City of Port Lincoln has a population of approximately 14,5 residents, and is situated approximately 640 kilometres west of Adelaide, via Highway 1 to Pt Augusta, and the Lincoln Highway to Port Lincoln. The City is the “Regional Hub” of Lower and Western Eyre Peninsula, and therefore has a potential commercial catchment that includes the total population of Eyre Peninsula excluding Whyalla, and Port Augusta.

The City of Pt Lincoln has a major role in servicing the surrounding agricultural and fishing industries, and districts of Eyre Peninsula. Therefore the majority of the local economy is based upon servicing the needs of the primary production sector. A major grain terminal is sited at the port and caters for large international bulk grain carriers.

The city also has a large role in the ‘processing of’ and ‘value adding’ of seafood production, i.e. Southern Bluefin Tuna processing and packaging, rock lobster processing and packaging, abalone processing and packaging, pilchard and finfish processing. Many of these seafood’s are processed and packaged for the export markets of Asia, Europe and the United States.

The route from Adelaide to Pt Lincoln is serviced by a regular public bus service. Currently the city is serviced by several air services per day by REX Airlines.

The local council and private investors have been pro-active in attracting new residents, business, and tourists to the city. During the last ten years, substantial residential and commercial development and redevelopment has taken place. A major residential and commercial marina complex has been built, and further development is planned. This development plus the success of local primary industries has led to a growth in employment and participation rate, and consumer confidence which has a direct correlation with asset values, and consumer retail confidence.

The subject property is located approximately 3.75 kilometres from the Port Lincoln GPO, in a southerly direction. It has a slightly sloping topography generally from the west down to the east.

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Services,

The subject property has all normal services connected, i.e. single and three phase electricity, mains water, town sewerage, and telephone.

Access,

Access to the property is via Pine Freezers Road, and a "right of way" (marked E on the title). The property has a 69 metre frontage to Pine Freezers Road which is bitumen paved, but without formed curbing.

Access is rated as good.

Environmental Contamination,

General,

To the best of our knowledge, the property is not affected by any environmental issue other than those commented upon within this report. I have no reason to believe that there is any residual contamination of the site or its structures, which would limit the future use of the site. The valuer is not an expert in environmental contamination; therefore the undersigned valuer reserves the right to review the said valuation should any future environmental audit indicate any environmental issues that may impact on the property. The client should make their own enquiries via an environmental specialist if they have any concerns in regard to possible contaminants.

Market Potential.

The current market for quality freehold and leasehold property within the Port Lincoln CDB and commercial areas are rated as medium. However given the current economic conditions, we would rate the demand for industrial land and industrial property in general as low. Port Lincoln is located in an area of relative economic stability underpinned by growth in the profitability of primary industries (fish farmers, and aquaculturalists).

Factors that have underpinned commercial property with cash flow (i.e. rental returns) are relatively low interest rates, low or perceived riskier returns from other investments, i.e. term deposits and the share market.

Factors which effect the cash flow of local business, i.e. commodity prices, drought, increased interest rates, and the comparative value of the Australian Dollar have the potential to reduce business turnover and profitability generally, and therefore asset values.

In terms of market risk, the factors mentioned above, plus interest rate volatility will have an effect on an investors required rate of return, and potentially reduce the market value of freehold property in real terms.

It has been reported that commercial and industrial real estate yields are increasing generally due to the slowdown in the economy and increased costs of capital via interest rates and the so called 'credit crunch'; therefore if rents do not increase in line with the increase in funding costs, declines in value in real terms may occur.

Of current major concern is the economic malaise in the United States and the short to longer term affects of global recession. It has been reported that the United States, Japan, Germany, Spain, Russia, (and others) are in a recessionary phase of their economic cycle. Australia is now also in an economic recession and it is generally accepted that Australia's unemployment rate will increase. The Melbourne Institute has predicted a rise to 6.5% during the final quarter of this year up from 5.3% during the March quarter, and predictions of 8% plus according to the Australia and New Zealand Banking Group, and a further 1% reduction in economic growth i.e. Gross Domestic Product (GDP).

One of Australia's major trading partners and manufacturing economy, China, has fallen to approximately 6.5% of GDP according to the 'World Bank' (source BBC News 18th March 2009).

From a micro economic view point, (i.e. the Lower Eyre Peninsula and more particularly the Port Lincoln economy), it is the undersigned Valuers view that the economy has peaked and that economic growth is stagnant at best. Port Lincoln is reliant on exports of fish and agricultural based produce. The main driver of the economy in recent years has been the farmed Southern Bluefin Tuna (SBT) industry.

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The farmed SBT industry is relatively new (established approximately 1992) and it would appear that it reached a peak in terms of profits and asset values during the early to mid years of 2000, and has since declined due to greater competition from produce in areas such as Northern Africa and the Mediterranean (Northern Bluefin Tuna), and Japan and Mexico (Pacific Bluefin Tuna). Other important factors include a fluctuating exchange rate i.e. \$A vs. JPY and \$US.

The Australian wild fish catch quota of SBT is also relatively small at 5,265 tonnes annually, in comparison to Northern Bluefin and Pacific Bluefin. The SBT species is also a smaller species and at present there would appear to be an oversupply of small fish into the Japanese market, which is approximately 95% of the total market for Bluefin type farmed tuna.

In recent years the SBT industry and ownership of quota has consolidated and at present the majority of the Australian quota is owned by one group in Port Lincoln. This consolidation has had an effect on industrial property due to efficiencies of use of industrial assets, i.e. processing facilities, coolrooms, freezer space, etc. Therefore it is likely that at present there is an oversupply of processing facilities, and in the medium term there is likely to be an oversupply of coolroom / freezer space #.

At present there is not an oversupply of freezer / coolroom space due to a fire in January 2009 which destroyed freezer and coolroom facilities of the Lukin and Stehr Group. If these facilities are rebuilt, the supply may swing into an oversupply position.

Other primary industries have contracted over the last few years due to factors including over fishing (Northern Zone Rock Lobster), Spencer Gulf and Western Zone Prawns (competition from imported farmed product, i.e. aquaculture), grains and livestock (prolonged drought and lower commodity prices).

Overall the Lower Eyre Peninsula's economy has probably flattened or declined in recent years.

The subject property is designed and suited to food processing, and may appeal to other tuna and fish processors. The processing facilities are modern, and appear to be well maintained. The corporate office area is appealing and presents well.

A sale of the subject property (particularly Lot 2) would be reliant on the state of the farmed tuna industry. As stated above the industry has gone through a 'correction' phase in terms of profits, after an initial high profit and growth start to the industry. A sale of the property (particularly Lot 2) may take an extended marketing period at present to realise market value. It is our view that the property would most likely sell at market value if it were placed onto the market with associated assets such as Southern Bluefin Tuna Statutory Fishing Rights, and associated farmed tuna infrastructure.

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Positive factors within the market (local) generally include the recent completion of a multistorey 5 Star accommodation / hotel complex built on the city foreshore (Tasman Tce) by the Sarin Group. This development has provided additional long term employment within the city, facilitates an increase in tourism numbers to the Eyre Peninsula, and facilitates increased retail turnover across a range of outlets. Other major development and redevelopment within the CBD is also likely in the medium term, which again should strengthen the local economy.

Other long term positives for the region may be mining activities. There are obviously pro's and con's to the introduction of mining and the exporting of bulk mining commodities through Port Lincoln and or other port facilities on the Eyre Peninsula; however given the stagnation and possibly reduction in employment in primary industries (farm and fishing), new mining industries may provide new jobs and growth opportunities for the region.

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COMPARABLE SALES.

We have analysed a number of sales to determine an estimate of land value. A most relevant are listed below. As stated previously, there have been few recent comparable sales on which to base current market values.

Address	Price	Sale Date	Improvements Style	Equiv Area Land m2	Year Wall
20 WINDSOR AVE PORT LINCOLN	\$418,000	07-05-09	6H VER SH SETT/COTGE	200 0.2997	1856 FRST/STONE

Character dwelling under heritage listing in a commercial zone. Large land area, dwelling to be use for commercial office and veterinarian complex. Sold on an equivalent of \$139 per square metre.

OFF SEATON AVE PORT LINCOLN	\$499,785	05-05-09	L	0 1.3980	
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Land only sale in industrial zone location sold for \$35.75 per square metre.

10 WINDSOR AVE PORT LINCOLN	\$375,000	01-12-08	WKSH	234 0.4090	1988 STEEL/IRON
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Land and older style workshop with medium height clearance, purchased with vacant possession for a consideration of approximately \$100.86 per square metre of land available inclusive of built infrastructure. Added value of infrastructure say \$75,000, land value say \$300,000 or \$73.34 per square metre.

9 PINE FREEZERS RD PORT LINCOLN	\$450,000	11-08-08	SHED	444 5481	1997 STEEL/IRON
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Land and shed with office accommodation currently used for plastics extrusion. Added value of improvements say \$200,000, therefore land value estimated at say \$250,000 or \$46 per square metre.

UNIT 1 & 2, 24 PROPER BAY RD PORT LINCOLN	\$700,000	02-05-08	FACTORY	275 6406	1981 STEEL/IRON
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The built improvements found on the property include a 266 square metre single level steel framed, colorbond clad factory, constructed on a concrete slab foundation, and iron sheet roofing. Internally the building has a 61.4 square metre processing area constructed of insulated sandwich board cladding, three insulated sandwich board freezer rooms with an area of approximately 35.2 square metres, and a 10.5 square metre cool room of the same construction. Other features include a timber framed and fibro clad office, and amenities area with shower, toilet, and wash down facilities, a drying room (previously used for shark cartilage production), lunchroom, and storage room with exhaust extraction units. A mezzanine storage area exists above the processing, cool room / freezer rooms and office. Attached to the main building are two skillion roofed lean-to structures used for storage with an area of approximately 150 square metres, and a concrete slab delivery apron of approximately 94 square metres.

The factory site (Allotment 1) has some fencing along Proper Bay Road, and Buberis Court with a total area of approximately 2,589 square metres. The balance of the land (Allotment 2) is vacant undeveloped land.

The property sold with vacant possession to a bulk haulage company. Freezer coolrooms are considered vastly inferior to those found on the subject property, and rated as being close to obsolete in terms of age and design.

Property sold for an overall consideration of \$128 per square metre of land available. Added value of improvements say \$200,000, therefore land value of say \$78 per square metre.

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Address	Price	Sale Date	Improvements Style	Equiv Area Land m2	Year Wall
97-101 VERRAN TCE PORT LINCOLN	\$1,800,000	29-09-08	W'House and Admin CONVENL	1365 sqm 6121 sqm & 2014 sqm	2007
				Total land area 8135 sqm.	
				TILTUP SLAB	

Land and modern showroom / factory / warehouse building of 'Tilt Up Slab' construction building, formerly 'Whiteman's Cabinets' zoned industry (Adelaide Wallaroo). 8 front bitumen paved car parks. Potential for further development of vacant land located adjacent to the factory / warehouse.

Modern as new infrastructure, sold by receivers / mortgagee in possession, with vacant possession by expression of interest. Purchase price and other details as per discussion with Knight Frank selling agent Jon Nitschke, and Knight Frank Information Memorandum.

Building details – Showroom 168.5 sqm, Warehouse / Factory 1043.7 sqm, Canopy 114.9 sqm, Porch 37.7 sqm, total under roof area 1364.8 sqm.

Based on sales of industrial land in the Port Lincoln area, the site value of the property is considered to have a market value of say \$800,000; therefore the added value of the improvements given the consideration paid equates to \$1,000,000 or approximately \$732.60 per square metre overall. Overall price paid per square metre of available land equates to say \$221.

12 THOMAS CT PORT LINCOLN			L	0	
	\$75,000	26-09-08		0.1333	
Land only sale within nearby industrial estate, inferior exposure, sold for a consideration of approximately \$56.26 per square metre.					

14 THOMAS CT PORT LINCOLN			L	0	
	\$75,000	29-09-08		0.1255	
Land only sale within nearby industrial estate, inferior exposure, sold for a consideration of approximately \$56.76 per square metre.					

38 SEATON AVE PORT LINCOLN			L	0	
	\$86,000	15-10-08		0.0836	
Land only sale within nearby industrial estate, inferior exposure, sold for a consideration of approximately \$102.87 per square metre.					

**Town & Country Valuers,
Property and Management Consultants.**

Valuation Calculation Comments.

Given the limited evidence available, and based on the proposed subdivision, we have adopted a rate per square metre for Allotment 1 at say \$40.00 to arrive at a market value for the allotment 1 (land only) of say \$400,000. We have estimated a land value of Allotment 2 at say \$30 per square metre which equates to a land only value of say \$150,000. We estimate the depreciated added value of the improvements as;

Allotment 1,

Workshop,	\$30,000
Large Storage Shed,	\$180,000
Land Value	\$400,000
Estimated Market Value, (EMV)	\$610,000

Allotment 2,

Office and administration building,	\$150,000
Processing building,	\$240,000
Warehouse,	\$30,000
Land Site Value,	\$180,000
Estimated Market Value, (EMV),	\$600,000

Valuation by Capitalisation of Net Income (Allotment 1).

Estimated Net Income (Lease per annum)	\$53,000
Capitalisation Rate utilised,	9.5%
Estimated Market Value say,	\$558,000

DISCLAIMERS AND QUALIFICATIONS.

The valuations are subject to the following disclaimers

- A) Satisfactory completion of the development / subdivision in accordance with the specifications and details provided, both written and verbal.
- B) An inspection of the development / subdivision, following practical completion of the development/ subdivision by the undersigned Valuer.
- C) Confirmation or variation of the original valuation figure relevant to the original valuation date, following an inspection of the project after practical completion.
- D) The issue of all relevant approvals including a DAC and or DAP approvals and certificates under the appropriate legislation and local government regulations.
- E) Sighting of any reports from other experts who have or may provide advice in aspects of the development / subdivision, or other pertinent issues.
- F) Such other matters / issues that the Valuer is of the opinion should be drawn to the attention of the Valuer.
- G) The right to review and if necessary vary the valuation if there are changes in the project.

The valuations have been completed on an '**As If Complete**' basis. The market value 'As If Complete' assessed herein is the market value of the proposed development / subdivision as detailed in this report on the assumption that all development has been satisfactorily completed in accordance with the plans and specifications provided and relied upon as at the date of this report. The valuations assume that the proposed subdivision will comply with all local authority approvals, and that development is completed to the standards acceptable in the marketplace.

The valuations reflect the Valuer's view of the market conditions existing at the date of the report and does not purport to predict the market conditions and the value at the actual completion of the improvements due to time lag involved in the building process.

The "**as if complete**" values assessed herein are the market values of the proposed or completed development as detailed within this report on the assumption that all development has been satisfactorily completed in all aspects as at the date of this report. The valuations reflect the Valuers' view of the market conditions existing at the date of this report and does not purport to predict the market conditions of the properties because of time lag.

Accordingly the "as if complete" valuations must be confirmed by a further inspection by the undersigned Valuer, initiated and instructed by the client, on completion of the development and issue of titles. The undersigned Valuer reserves the right to review and if necessary, vary the valuations and report if there are any changes in relation to the project itself, or in property market conditions.

These valuations are current as at the date of valuation only. The values assessed herein may change significantly 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 3 months from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.

These valuations are made on a fee simple basis, assuming that any encumbrances and / or mortgages are discharged.

An inspection of the property and improvements has been undertaken by the valuer on the date as mention above, however the valuer is not an expert in building construction, and a structural survey has not been completed. It is recommended that advice be sought from a qualified expert in respect to building construction and structural issues. This valuation assumes that all improvements have been constructed in accordance with the building codes at the time of construction, and that all approvals have been obtained from relevant authorities. Unless stated the valuation assumes no damage from pests such as termites, and / or rodents, and it is recommended that an expert pest inspection be carried out to ascertain if damage has occurred.

The valuer reserves the right to revalue the property if experts deem damage has been caused or structural problems exist.

**Town & Country Valuers,
Property and Management Consultants.**

The valuations are made on the assumption that all improvements are within the property boundaries, and that there are no encroachments by or upon the property, (other than those listed within the report). If the instructing party has any concerns regarding encroachments, they should be referred to a qualified surveyor for advice and or a survey report.

This valuation has been prepared for the sole use of the instructing party for the purpose as stated, and should not be relied upon for any other purpose. No responsibility is accepted to any third parties relying on the whole or part of the contents of this valuation and report (including appendices) without referral and permission of the valuer.

I hereby certify that I have inspected the property as at the date specified within the report, and subject to the terms and conditions, cautions, disclaimers, and qualifications within this valuation report, I have assessed the Estimated Market Value of the property as shown below and recommend it for an appropriate mortgage advance to the above mentioned clients only based on the lender securing a Registered First Mortgage over the property. This valuation and report may not be used for second or subsequent mortgage lending, and the undersigned valuer takes no responsibility for losses incurred due to the lender using this valuation for second or subsequent mortgage lending.

The report in whole or in part may not be copied or reproduced in any manner without referral and permission of the valuer. This valuation may not be used by third parties either in full or in part, and therefore the undersigned valuer take no responsibility for losses incurred by the third parties who may use this valuation in part or in full without the expressed and written consent of the undersigned valuer.

Areas within the report are estimates only. The undersigned valuer is not a qualified surveyor and readers of this report should not rely on the reported areas without consultation with a qualified surveyor. The valuer reserves the right to alter the report and valuation if the property is subsequently surveyed and areas as reported in this valuation are found to be incorrect. The client should seek advice from a qualified surveyor if a more accurate analysis of the above-mentioned areas is required.

To the best of my knowledge, the property is not affected by any environmental issue (other than those that may be referred to within this report). The valuer is not an expert in environmental contamination; therefore the undersigned valuer however reserves the right to review the said valuation should any future environmental audit indicate any environmental issues that may impact on the property. The client should make their own enquiries via an environmental specialist if they have any concerns in regard to possible contaminants.

**VALUATION CERTIFICATE.
"As if complete"**

Subject to the information, qualifications, and disclaimers contained within the body of this report, the estimated value of the property identified as Lot 1, 21 Pine Freezers Road, Port Lincoln, as at the 22nd June 2009, is assessed as follows;

\$610,000.

(Six Hundred & Ten Thousand Dollars).

Note: The valuation and all calculations are exclusive of GST unless otherwise stated.

Certificate,

I Paul Anthony Szumski do hereby certify that to the best of my knowledge and belief, the statements and opinions contained herein are correct, and that my present employment is not contingent on the amount of value reported.



Paul Anthony Szumski. B'Bus (Property).
Certified Practising Valuer, AAPI, ANIA.

15th July 2009.

**VALUATION CERTIFICATE.
“As if complete”**

Subject to the information, qualifications, and disclaimers contained within the body of this report, the estimated value of the property identified as Lot 2, 21 Pine Freezers Road, Port Lincoln, as at the 22nd June 2009, is assessed as follows;

\$600,000.

(Six Hundred Thousand Dollars).

Note: The valuation and all calculations are exclusive of GST unless otherwise stated.

Certificate,

I Paul Anthony Szumski do hereby certify that to the best of my knowledge and belief, the statements and opinions contained herein are correct, and that my present employment is not contingent on the amount of value reported.



Paul Anthony Szumski. B'Bus (Property).
Certified Practising Valuer, AAPI, ANIA.

15th July 2009.

**Town & Country Valuers,
Property and Management Consultants.**

**Appendix 1.
Letter of Request.**

Dear Paul,

Further to our phone call today.

We would like to request a valuation for sales purposes on the property at Pine freezers Road.

Please see the attached file. The cross hatched area is the area of interest for sale. The remaining area for balance sheet.

We are looking for :

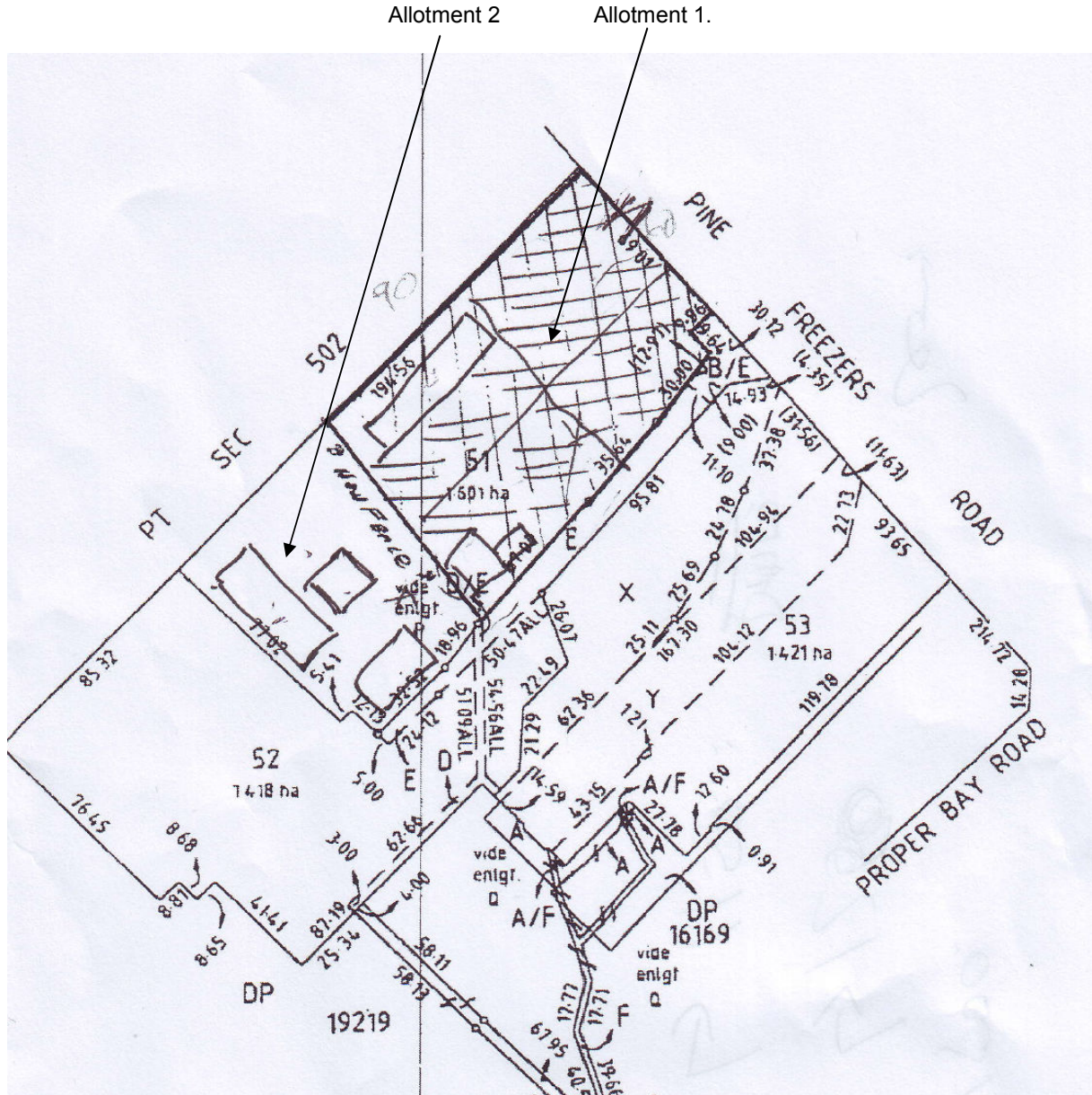
- 1) Can this block be subdivided?
- 2) Valuation on the two halves of the property (if it can be sub divided).

Rgds,

Peter Fare
Ph : 8621 4425
Mob : 0402 417 027

**Town & Country Valuers,
Property and Management Consultants.**

Appendix 2
Sketch Plan of Proposed Subdivision.



**Town & Country Valuers,
Property and Management Consultants.**

**Appendix 3.
Certificate of Title.**



Title Register Search

LANDS TITLES OFFICE, ADELAIDE

Issued pursuant to the Real Property Act 1886

LAND TITLES OFFICE ADELAIDE SOUTH AUSTRALIA

REGISTER SEARCH OF CERTIFICATE OF TITLE * VOLUME 5631 FOLIO 976 *

COST : \$15.50 (GST exempt)	PARENT TITLE : CT 5549/339
REGION : EMAIL	AUTHORITY : RTC 8573255
AGENT : SZU7P BOX NO : 000	DATE OF ISSUE : 04/03/1999
SEARCHED ON : 10/03/2006 AT : 12:54:12	EDITION : 2
CLIENT REF DI FISHING	

REGISTERED PROPRIETOR IN FEE SIMPLE

D I FISHING CO. PTY. LTD. OF PO BOX 1491 PORT LINCOLN SA 5606

DESCRIPTION OF LAND

ALLOTMENT 51 DEPOSITED PLAN 50823
IN THE AREA NAMED PORT LINCOLN
HUNDRED OF LINCOLN

EASEMENTS

TOGETHER WITH THE EASEMENT OVER THE LAND MARKED C (RE 6315190)

TOGETHER WITH A FREE AND UNRESTRICTED RIGHT OF WAY OVER THE LAND MARKED E

SCHEDULE OF ENDORSEMENTS

8607387 MORTGAGE TO WESTPAC BANKING CORPORATION

NOTATIONS

DOCUMENTS AFFECTING THIS TITLE

NIL

REGISTRAR-GENERAL'S NOTES

NIL

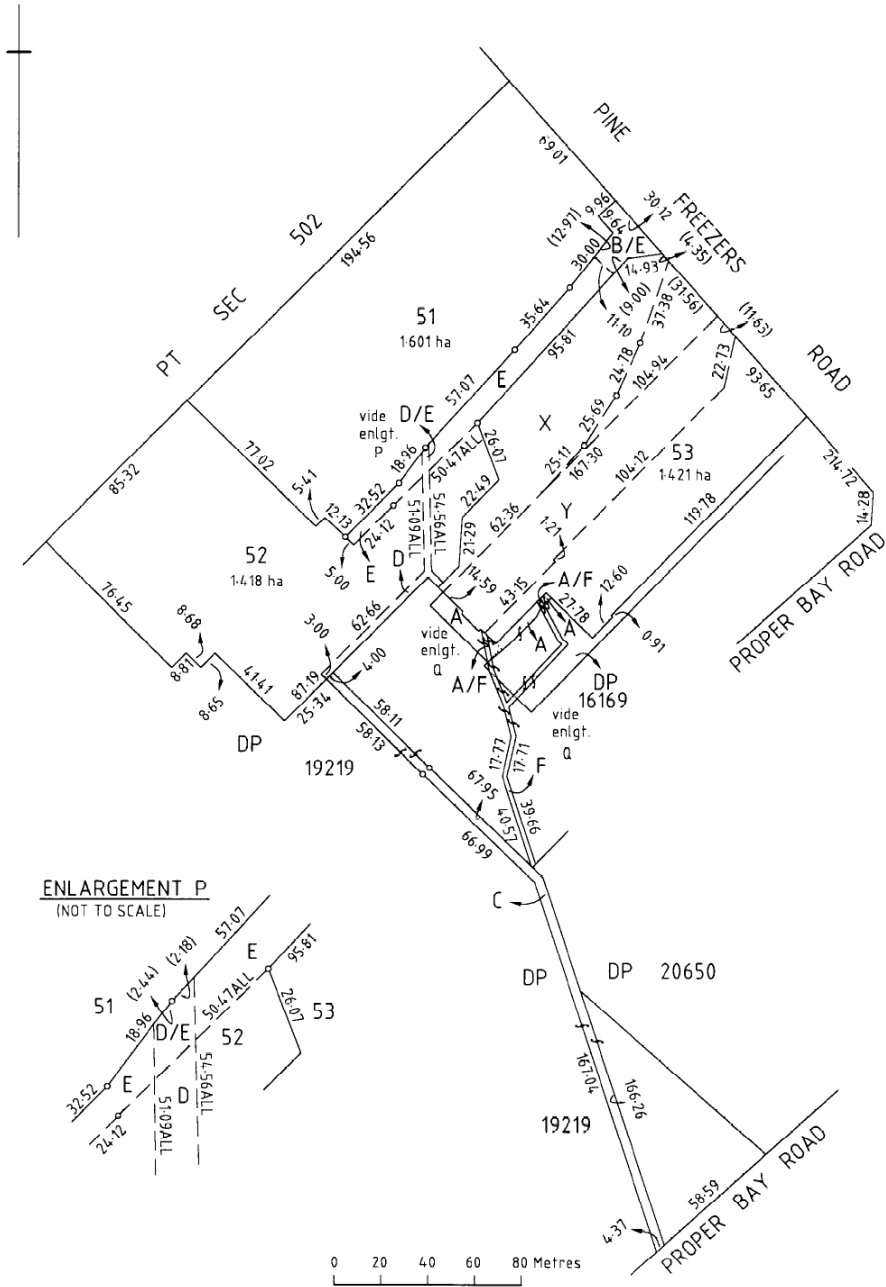
END OF TEXT.

Page 1 of 3

Warning: The information appearing under notations has not been formally recorded in the Register Book and the provisions of the Real Property Act 1886 do not extend thereto.

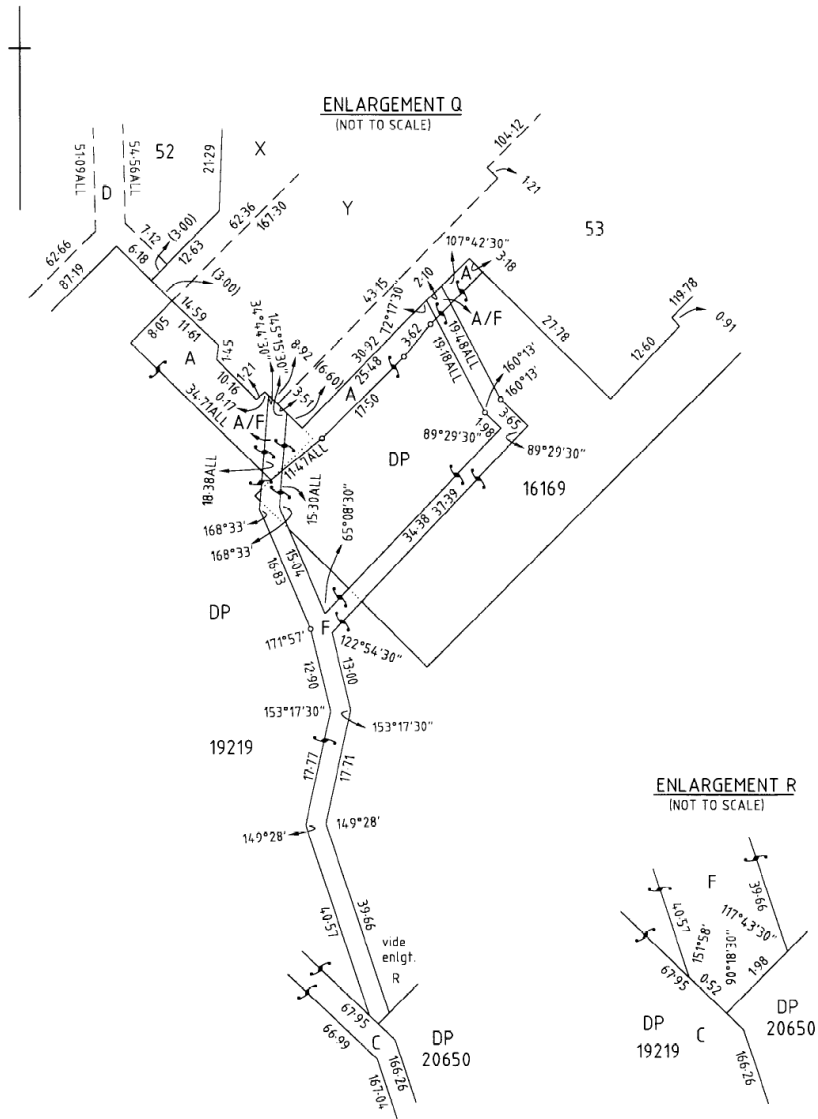
**Town & Country Valuers,
Property and Management Consultants.**

LANDS TITLES OFFICE ADELAIDE SOUTH AUSTRALIA
 DIAGRAM FOR CERTIFICATE OF TITLE VOLUME 5631 FOLIO 976
 SEARCH DATE : 10/03/2006 TIME: 12:54:12



Town & Country Valuers, Property and Management Consultants.

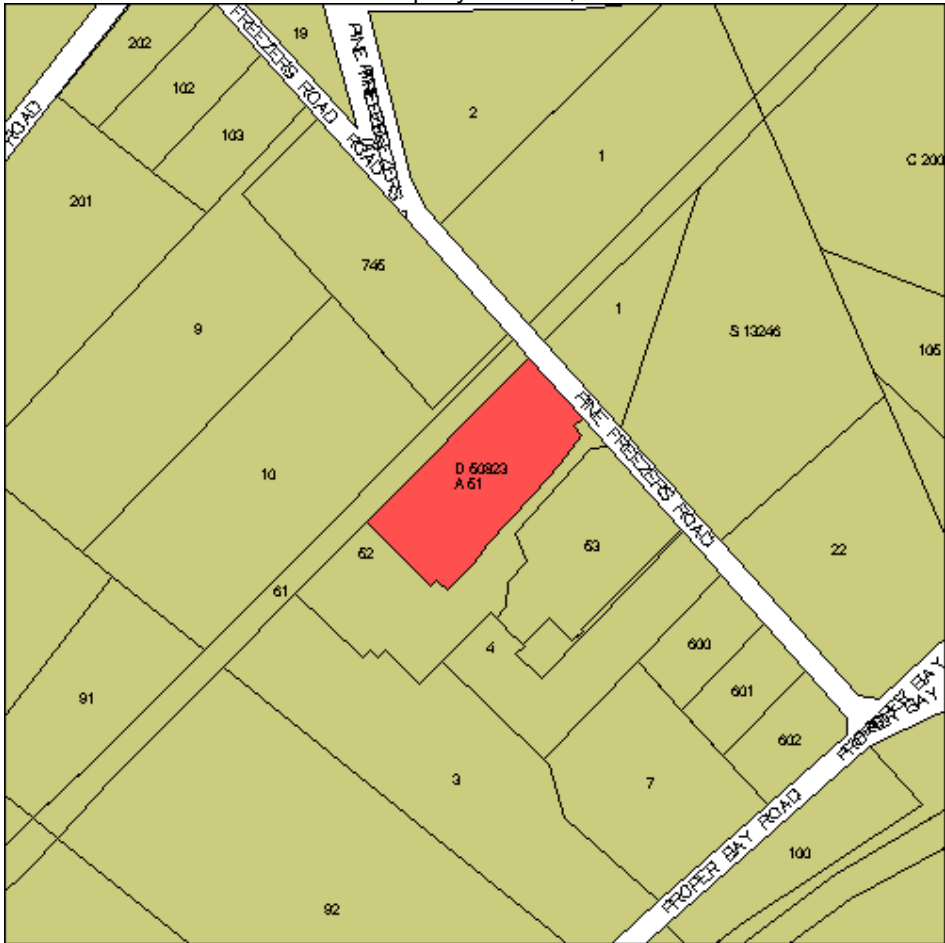
LANDS TITLES OFFICE ADELAIDE SOUTH AUSTRALIA
 DIAGRAM FOR CERTIFICATE OF TITLE VOLUME 5631 FOLIO 976
 SEARCH DATE : 10/03/2006 TIME: 12:54:12



**Town & Country Valuers,
Property and Management Consultants.**

Appendix 4.

Property Location,



Position of subject property - highlighted in red.

**Appendix 5
Zoning Policy and Map**

INDUSTRY ZONE

Introduction

The objectives and principles of development control that follow apply in the Industry Zone shown on [Maps PtL/8 to 11](#). They are additional to those expressed for the whole council area.

OBJECTIVES

Objective 1: A zone primarily for industrial activities.

Objective 2: A zone in which industrial activities are protected from adverse impacts of other forms of land use and encroachment of incompatible uses.

Objective 3: Development capable of meeting contemporary environmental standards.

Objective 4: A range of allotment sizes to meet the needs of industrial and commercial uses of land and to provide adequate separation between incompatible land uses.

PRINCIPLES OF DEVELOPMENT CONTROL

1 Development should be primarily for industrial activities.

2 Land division should provide a range of allotment sizes, suitable for a diversity of large-scale industrial uses and which provide for adequate separation between incompatible land uses.

3 Development that generates effluent, waste liquids, washdown and similar waste should generally not be developed on sites where access to sewerage infrastructure is unavailable, unless the proposed method of waste disposal will not result in unreasonable environmental impact.

4 Development should be located and designed to mitigate the effects of impacts, such as noise, dust, odour, vibration, light spill and traffic, on sensitive uses in adjacent zones.

5 There should be no residential development, unless it is ancillary to the appropriate industrial activities in the Zone, or a caretaker's residence.

6 Development resulting in open storage and other land uses likely to present an untidy appearance should be located and screened to minimise visual impact.

Complying Development

7 Complying developments are prescribed in Schedule 4 of the *Development Regulations 2008*.

Non-complying Development

8 The following kinds of development are **non-complying** in the Industry Zone:

Caravan Park

Community Centre

Dwelling, excluding dwellings ancillary to industrial activities in the Zone or a caretakers residence

Educational Establishment, excluding the Eyre Peninsula Community College (TAFE)

Health Centre

Hospital

Library

Meeting Hall

Motor Showroom

Nursing Home

Pre-school

Retail Showroom

Service Trade Premises

Shop with total floor area of greater than 200 square metres

Welfare Institution

Public Notification

Category 1 Development

9 Those kinds of development listed as complying in Principle 7, those listed below and those listed in [Table PtL/2](#), are assigned as **Category 1** Development in the Industry Zone.

Petrol Filling Station

Telecommunications Facility up to 30 metres in height

Vehicle Parking Area

Weighbridge

except where the site of the proposed development is adjacent to a residential zone boundary, in which case it is assigned as **Category 2** Development.

Category 2 Development

10 Those kinds of development listed in [Table PtL/3](#), and those listed below are assigned as **Category 2** Development in the Industry Zone.

All kinds of development associated with port activities, on an allotment with water frontage, in the Lincoln Harbor (Policy Area 12)

Aquaculture and associated buildings and structures

Fuel Depot

Road Transport Terminal

Special Industry which is of a kind specified in Schedule 22 of the Development Regulations.

Policy Area 14 (Proper Bay Road)

Introduction

The objective and principles of development control that follow apply to that part of the City of Port Lincoln referred to as the Policy Area 14 (Proper Bay Road) on [Maps PtL/21 to 23](#). They are additional to those expressed for the zone and whole council area.

OBJECTIVE

Objective 1: An area for industrial development.

The area is suitable for a mixture of light and general industries with predominantly light industry located north of Pine Freezer's Road so as to limit impacts on surrounding development, while general, special or noxious industries should generally be located south of Pine Freezer's Road where surrounding land uses are less sensitive.

PRINCIPLES OF DEVELOPMENT CONTROL

1 The area should be developed for a mixture of light and general industries.

2 Light industries should be developed predominantly north of Pine Freezer's Road so as to limit impacts such as noise, odour and particle emissions on development within this part of the Industry Zone and within the adjoining Residential Zone on the northern and western side of the Western Approach Road and the southern side of Windsor Avenue.

3 General, special or noxious industries should be developed predominantly south of Pine Freezer's Road where these land use activities are less likely to have negative impacts upon surrounding development.

4 Development should be orderly with land north-west of the railway line not developed until the remainder of the area is substantially developed.

5 Development should be attractive, well designed and enhanced with suitable landscaping.

6 Development should not prevent food processing activities in the area from operating to a high standard of hygiene.

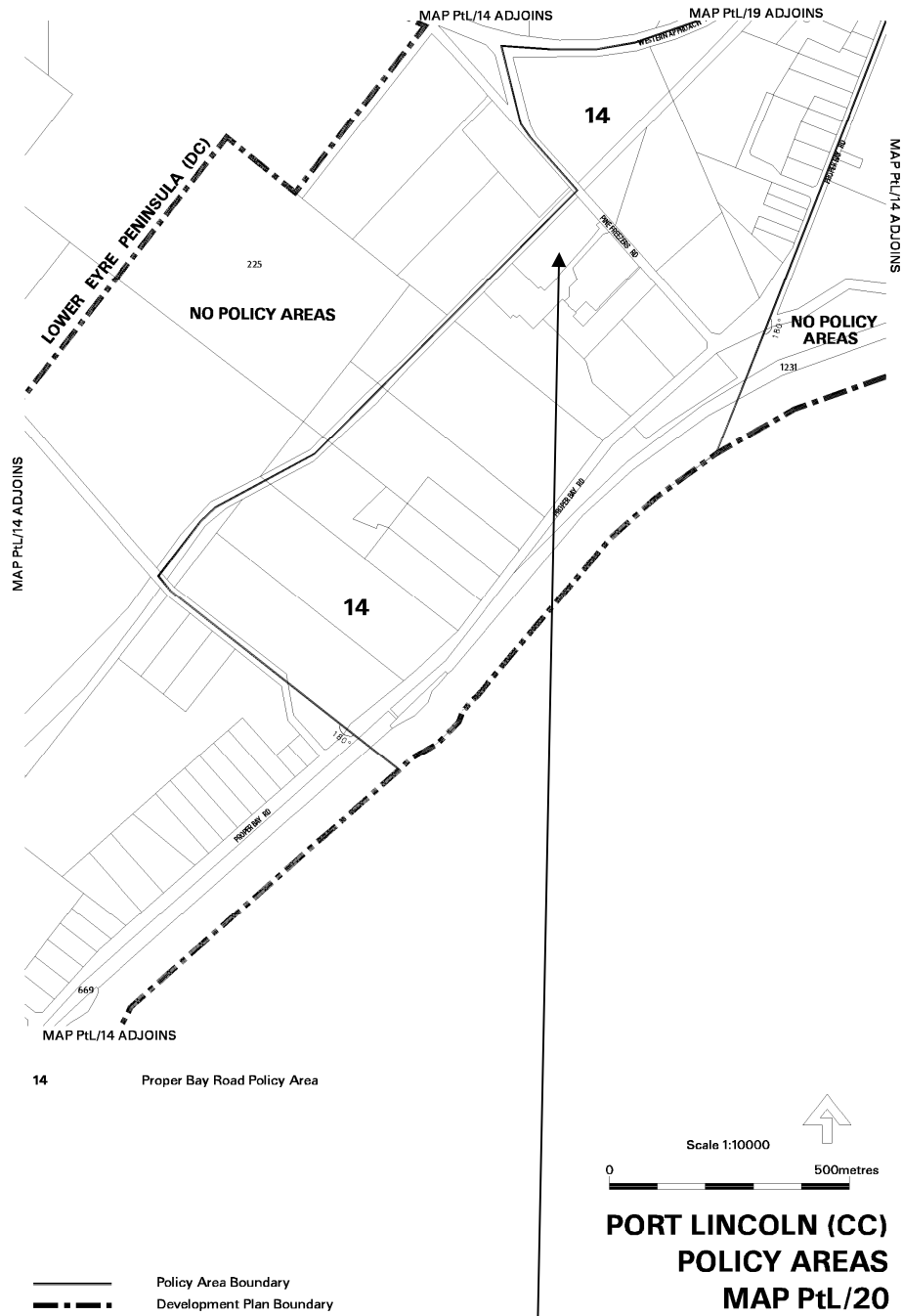
7 No general, special, or noxious industries, with the potential to be affected by the perceived or actual impact on amenity of waste management activities in the Special Use (Waste Management) Zone, should be established near to the boundary of that zone.

8 Allotments to the south of Pine Freezer's Road should have a minimum lot size of 10,000m² to allow for the development of large scale industrial enterprises in this area.

9 Development on land adjacent to Ravendale House at 20 Windsor Avenue, Port Lincoln should be sympathetic to this State Heritage Place, with complementary design elements including, but not limited to:

- (a) scale and bulk;
- (b) width of frontage;
- (c) boundary setback patterns;
- (d) proportion and composition of design elements such as rooflines, openings, fencing and landscaping; and/or
- (e) type, colour and texture of external materials.

Consolidated - 5 March 2009



Subject Property.