

..... 2011

Dear,

You have requested our opinion as to the fair market value of as at the
This letter outlines our understanding of the terms of our engagement.

A business of this size and nature will normally sell on an 'assets' basis, i.e. plant, goodwill and stock. Accordingly this opinion will be on that basis. The value derived can be applied to the company structure to ascertain the value of the company shares if required.

Our opinion is required for the purpose of For this purpose, fair market value is defined as the price at which the would change hands between a willing buyer and a willing seller, neither being under a compulsion to buy or sell and both having reasonable knowledge of relevant facts.

We understand that a short form report only is required. The report will state our estimate of the value of the but will not detail the basis of our valuation although such information will be retained on our files and will be available if required.

OR

This opinion is not a full and formal valuation but is an indicative valuation engagement (as provided for in AES2 of the Institute of Chartered Accountants of New Zealand) where the valuation conclusion is based upon the consideration of limited information provided to the business valuer, with no requirement to assess the reasonableness of the information or to gather further information.

Although our opinion is intended to estimate the current fair market value of the we assume no responsibility for a seller's or buyer's inability to obtain a purchase contract at that price.

Our report is not intended for general circulation or publication, nor is it to be reproduced or used for any purpose other than that outlined above without our prior written permission in each specific instance. We will not assume any responsibility or liability for losses occasioned to the Company or to its Directors and Shareholders or to other parties as a result of the circulation, publication, reproduction or use of our report contrary to the provisions of this paragraph.

Our report and statement of account are to be addressed to you. Based on our present knowledge, we estimate that our fee for this assignment will be in order of plus GST, payable within seven days of presentation or our report.

We anticipate completion withindays of receipt of full information.

If the foregoing terms of our engagement are in accordance with your understanding and are agreed to, would you please sign the enclosed duplicate of this letter where indicated and return it to us as authority for the valuation to proceed.

Yours faithfully,

Clyth MacLeod
Director
BUSINESS APPRAISALS LIMITED

Accepted by:

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Date: