



KIMBERLEY AGRICULTURAL INVESTMENT

Kimberley Agricultural Investment P/L
PO Box 2531 Kununurra WA 6743

Mr Carl Askew
Chief Executive Officer
Shire Wyndham East Kimberley
PO Box 614
Kununurra 6743

29th August 2017

Dear Carl,

RE: Carlton Hill Road

As you are aware Kimberley Agriculture Investment (KAI) in late 2016 settled the purchase of Carlton Hill Station that included all the associated freehold land. One of these land parcels is Carlton Plain. KAI's plan is to continue its development works into Carlton Plain in 2018. The development of this land is critical to the development of a cotton industry in the region. Carlton Plain is levee soil that has more reliable accessibility during the preferred months of January – March for planting cotton. To enable this to occur the Carlton Hill Station road will need to up-graded to allow improved access to the area.

The Carlton Station access road was gazetted by the State of WA when freehold title was issued over the Carlton Plain. The purpose of this was to ensure the owner of the freehold land had legal access. Prior to this the road was for the sole purposes of accessing Carlton Hill Station homestead.

As consequence of the road being gazetted the requirement for improvements and maintenance becomes the responsibility of both SWEK and KAI. The roads purpose is to support KAI's farming activities and CPC pastoral business, both uses are private in nature it is not unreasonable to assume that SWEK in general would not be keen to commit funding to these road upgrade and maintenance activities.

In order for KAI to undertake work will require approval from, and to meet the guidelines of SWEK and State Government. This is not a reasonable position in terms of road maintenance and construction when the road is used for private purposes.

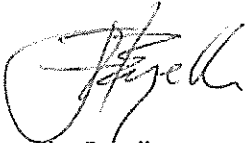
KAI, owning both the freehold and the pastoral lease propose the solution to simplify the situation is to remove the gazettal of the road. This would release SWEK from any obligations and allow KAI/CPC to undertake road upgrades that are fit for purpose and without the legal complexities of working on a public gazetted road.

To ensure the holder of the freehold title retains access rights to Carlton Plain replace the current gazettal with an access easement. The precedent for this course of action has been set by the State of WA in accessing the Conservation Areas (also freehold title) that are interspersed across the Carlton Hill Pastoral Lease. The State of WA propose to install access easements as the method of accessing freehold

conservation areas by State Government Departments.

With the support of SWEK, KAI are confident that a workable sensible solution can be reached to allow development to continue that is critical to the future economic prosperity of our region.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'J. Engelke', with a large, stylized initial 'J'.

Jim Engelke
General Manager
Kimberley Agricultural Investment