

Between:

Almond Land Pty Ltd

Olivecorp Land Pty Ltd

2003 Timbercorp Almond Project

NM TAYLOR
L A W Y E R S

Level 7
350 Collins Street
MELBOURNE VIC 3000

Telephone: 9600 3525
Facsimile: 9600 3527

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Details of this Call Option Agreement

Date of the Agreement:

This Agreement is made on 11 February 2003.

Parties to the Agreement:

1. **ALMOND LAND PTY LTD**
ACN 091 460 392
Level 8, 461 Bourke Street
Melbourne Victoria 3000

(Grantee)

2. **OLIVECORP LAND PTY LTD**
ACN 090 141 512
Level 8, 461 Bourke Street
Melbourne Victoria 3000

(Grantor)

Background to the Agreement

- A. The Grantor is the owner of the Surplus Water Licences.
- B. The Grantor has agreed to grant and Grantee has agreed to take a Call Option to purchase the Surplus Water Licences upon the terms and conditions of this Agreement. The Call Option will allow the Grantee to purchase sufficient water rights for the purposes of the 2003 Almond Project.

The Parties Agree as Follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires or implies, the following expressions have the meanings set out opposite each of them:

2003 Almond Project:

the 2003 Timbercorp Almond Project (ARSN 107 197 299);

A\$, \$, dollars or Australian dollars:	the lawful currency of Australia;
ASIC:	the Australian Securities and Investments Commission;
Business Day:	a day other than a Saturday or Sunday on which all trading banks are open for general banking business in Melbourne, Victoria;
Call Option:	the option to purchase Water Licences up to the Grantee's Entitlement during the Exercise Period;
Commencement Date:	the date of this Agreement;
Completion Date:	1 Business Day after the relevant water authority approves the transfer of the Water Licences;
Encumbrance:	<p>an interest or power:</p> <p>(a) reserved in or over an interest in any asset including, but not limited to, any retention of title; or</p> <p>(b) created or otherwise arising in or over any interest in any asset under a bill of sale, mortgage, charge, lien, pledge, trust or power,</p> <p>by way of security for the payment of a debt, any other monetary obligation or the performance of any other obligation, and includes, but is not limited to, any agreement to grant or create any of the above;</p>
Entitlement:	Subject to clause 2, Water Licences representing 1,147 megalitres;
Exercise Period:	The period commencing on the Commencement Date and ending on 15 May 2004;
Governmental Agency:	a government or government department, a governmental, semi-governmental or judicial person or a person (whether autonomous or not) charged with the administration or any applicable law, including a local authority;
Grantor's Requirements:	the Grantor's requirements in relation to water rights as described in offer documents for Olive Projects issued by the Timbercorp group and based on the Grantor receiving a maximum allocation of those rights by the Goulburn Murray Water Authority during all relevant times;
GST:	a tax, levy, duty, charge or deduction, together with any related additional tax, interest, penalty, fine or other charge, imposed by or under a GST Law;
GST Law:	the same as in the A New Tax System (Goods and Services Tax) Act 1999 (as amended);
GST Rate:	the rate of GST under the GST Law;

Notice of Exercise:	a notice in or to the effect of the form of Schedule 1;
Timbercorp Olive Projects:	the 2000 Timbercorp Olive Project (Private Offer), the 2001 Timbercorp Olive Project (ARSN 094 382 082), the 2002 Timbercorp Olive Project (ARSN 098 233 455) and the 2003 Olive Project;
Purchase Price:	the multiple of \$400 by the number of megalitres specified in the Notice of Exercise, or such higher amount as is agreed between the parties;
Surplus Water Licences:	Water Licences for 1,147 megalitres in excess of the Grantor's Requirements, as reduced in accordance with clause 3.2(b);
Timbercorp:	Timbercorp Limited (ACN 055 185 067) of Level 8, 461 Bourke Street, Melbourne Victoria 3000;
TSL:	Timbercorp Securities Limited (ACN 092 311 469) of Level 8, 461 Bourke Street, Melbourne Victoria 3000;
Water Licences:	water licences giving the owner permanent water rights.

1.2 Interpretation

In this Agreement, unless expressed or implied to the contrary:

- (a) a reference to this or any other document includes a variation or replacement of it;
- (b) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of it;
- (c) the singular includes the plural and vice versa;
- (d) if a word is defined, cognate words have corresponding definitions;
- (e) a reference to a person includes a firm, body corporate, an unincorporated association or an authority;
- (f) a reference to a person includes the person's legal personal representatives, successors, substitutes (including persons taking by novation) and permitted assigns and transferees;
- (g) a reference to a gender includes the other genders;
- (h) a reference to a clause or schedule is to a clause or schedule in or to this Agreement;
- (i) if a party comprises two or more persons, this Agreement binds them jointly and each of them severally unless a contrary intention is expressed in the Agreement;
- (j) if any of the persons comprising the Grower is a trustee, this Agreement binds that person in its capacity as a trustee and personally; and
- (k) the word "**include**" or "**includes**" is to be read as if the expression "**(but is not limited to)**" immediately followed such word and the word "**including**" is to be read as if the expression "**(but not limited to)**" immediately followed such word.

1.3 Headings

Headings are for convenience only and do not affect the interpretation of this Agreement.

2. OPTION TO PURCHASE WATER LICENCES

2.1 Grant of Call Option

- (a) In consideration of the payment by Grantee to the Grantor of \$1.00, the receipt of which is acknowledged, and subject to the Grantor receiving a full allocation of water rights by the Goulburn Murray Water Authority during all relevant times, the Grantor grants to the Grantee an irrevocable option to purchase Water Licences up to its Entitlement, upon the terms and conditions in this Agreement. The price payable for Water Licences is the Purchase Price.
- (b) To the extent that the Grantor receives less than 100% allocation of water rights from the Goulburn Murray Water Authority during the Exercise Period, the Grantor may reduce the Grantee's Entitlement under this agreement so as to ensure that it is able to make sufficient water rights available under the Timbercorp Olive Projects.

2.2 Time of Exercise of the Option

The Option may be exercised by the Grantee on one or more occasions at any time during the Exercise Period up to 5.00 pm on the last day of the Exercise Period.

2.3 Manner of Exercise of Option

The Option may be exercised by giving a Notice of Exercise to the Grantor specifying the number of megalitres the subject of the Water Licences that the Grantee wishes to purchase together with the Grantee's cheque for the Purchase Price made payable to the Grantor.

2.4 Binding Agreement

The exercise of the Option by the Grantee will bring into effect a binding agreement between the Grantor and the Grantee for the sale by the Grantor, and the purchase by Grantee, of Water Licences representing the number of megalitres specified in the Notice of Exercise, for the Purchase Price.

2.5 Transfer on Exercise of Option

- (a) As soon as practicable after receiving an Exercise Notice, the Grantor must do all acts and things necessary to transfer to the Grantee free of any Encumbrances, all its right, title and interest in and to the Water Licences representing the number of megalitres the subject of the Notice of Exercise.
- (b) Completion of the transfer of Water Licences is subject to the approval of the Goulburn Murray Water Authority and the Sunraysia Rural Water Authority.

3. WARRANTIES AND OBLIGATIONS

3.1 Warranty by Grantor

The Grantor warrants and represents to the Grantee that as at the Commencement Date it owns or is entitled to own the Surplus Water Licences.

3.2 Surplus Water Licences

- (a) At all times during the Exercise Period, the Grantor must own or be entitled to own Surplus Water Licences in excess of the Grantee's Entitlement.
- (b) Upon each exercise of the Call Option, the:
 - (i) Surplus Water Licences required to be owned in accordance with clause 3.2(a); and
 - (ii) Grantee's Entitlement,will be reduced by the number of megalitres represented by the Water Licences transferred to the Grantee.

3.3 Government Approvals

The Grantee must maintain up to the Completion Date all Government Agency approvals, licences or permits required for the ownership of the Water Licences being transferred to the Grantee.

3.4 Government Approvals

The Grantor must:

- (a) duly and punctually pay or cause to be paid all rates, taxes and other charges levied by any Government Agency up to the Completion Date in respect of all Water Licences being transferred to the Grantee; and
- (b) comply with all laws and regulations up to the Completion Date relating to the use of the Water Licences being transferred to the Grantee.

4. TERMINATION

4.1 Termination by Grantee

Without affecting any of the Grantee's other rights or remedies, if the Grantor:

- (a) resolves to go into liquidation;
- (b) an application for its winding up is presented and not withdrawn within 14 days after presentation;
- (c) enters into any scheme or arrangement with its creditors;
- (d) a liquidator, provisional liquidator, trustee, receiver, receiver and manager, administrator, controller or similar official is appointed over its assets or undertaking; or
- (e) breaches any warranty, or substantially breaches any of the Grantor's obligations, contained in this Agreement,

the Grantee in its sole and absolute discretion may terminate this Agreement by written notice to the Grantor delivered to the Grantor.

5. STAMP DUTY AND COSTS

5.1 Stamp Duty

All stamp duty in connection with this Agreement and the exercise of the Call Option must be paid by Grantee.

5.2 Costs

Each party will bear its own legal costs in respect of this Agreement, any document to be executed pursuant to those documents and generally in relation to the transactions contemplated by those documents.

6. ASSIGNMENT

6.1 Assignment by the Parties

The parties may not assign any of their rights and interests under this Agreement unless:

- (a) the other party has given its written consent, which it may withhold in its reasonable discretion; and
 - (b) the proposed assignor obtains a deed of covenant signed by the proposed assignee in favour of the other party stating that the assignee will at all times observe and perform all and any of the terms and conditions of this Agreement.
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7. DISPUTE RESOLUTION

7.1 Resolution by Experienced Property Lawyer

If there is any difference or dispute between the parties arising out of this Agreement, other than the Purchase Price to be paid for Water Licences, it must be determined by an experienced property lawyer appointed at the request of either party by the President for the time being of the Victorian Lawyers RPA Pty Ltd or its nominee.

8. GOODS AND SERVICES TAX

- (a) If any supply made by a party (**Supplier**) to the other (**Recipient**) under this Agreement is a taxable supply (according to GST Law) so that the Supplier is liable to GST, the parties agree that the consideration payable for that taxable supply represents the value of the taxable supply (the **GST Exclusive Amount**) and not the price for that taxable supply.
- (b) In addition to the GST Exclusive Amount for a taxable supply under this Agreement, the Recipient must pay to the Supplier a further amount in respect of the taxable supply calculated as an amount equal to the GST Exclusive Amount multiplied by the GST rate in force from time to time.
- (c) The GST payable under paragraph 8(b) is payable by the Recipient without deduction or set-off of any other amount, at the same time and on the same basis as the GST Exclusive Amount is payable by the Recipient under this Agreement.
- (d) The right of a Supplier to payment under this clause is subject to a valid tax invoice, which complies with GST Law, being issued and delivered by the Supplier to the Recipient.
- (e) If a payment to satisfy a claim or a right to claim under or in connection with this Agreement, for example, a claim for damages for breach of contract, gives rise to a liability to pay GST, the payment is the GST Exclusive Amount and an additional amount must be paid to the Supplier in accordance with

paragraph 8(b).

- (f) If a decision making body orders that a payment be made to a party to satisfy a claim under or in connection with this Agreement, and such payment will give rise to a liability to pay GST, the parties authorise the decision making body to order that a further amount, calculated as an amount equal to the payment multiplied by the GST Rate, be paid to the party in whose favour the order is made.
- (g) If a party has a claim under or in connection with this Agreement for a cost on which that party must pay GST, the claim is for the cost plus all GST, except any GST for which that party is entitled to an input tax credit.
- (h) If a party has a claim under or in connection with this Agreement and the amount of the claim depends on actual or estimated revenue or lost revenue, revenue must be calculated without including any amount received or receivable as reimbursement for GST, whether that amount is separate or included as part of a larger amount.

9. NOTICE

9.1 Form of Notice

Any notice to be given under or in connection with this Agreement will be in writing and may be signed by an authorised representative of the party giving the notice. The notice may be served by:

- (a) hand delivery;
- (b) post or registered or certified mail; or
- (c) fax,

to such address or fax number of the party to whom the notice is directed as the addressee may notify prior to such notice being given.

9.2 Receipt of Notice

Any notice will be effective and will be deemed to be received:

- (a) if hand delivered, then upon delivery;
- (b) if posted, then 48 hours after the notice has been properly posted if that falls on a Business Day, and if not, on the first Business Day afterwards; and
- (c) if sent by fax, then at the date and time of transmission as shown by the confirmation report from the sender's fax machine indicating that the notice has been received in full by the recipient's fax machine.

10. PROPER LAW


This Agreement is governed by and to be interpreted in accordance with the laws of Victoria and the parties to this Agreement submit to the non-exclusive jurisdiction of the courts of Victoria, Australia and courts of appeal from them for determining any dispute concerning this Agreement or the transactions contemplated by this Agreement.

11. AMENDMENTS

This Agreement may be amended by another document in writing and duly signed by the parties to this Agreement.

Executed as an Agreement


EXECUTED by ALMOND LAND)
PTY LIMITED by two of its)
directors in accordance with)
section 127 of the Corporations)
Act:)



Signature
Sol Rabinowicz

Full Name
Director

Position Held




Signature
Mark H Pryn

Full Name
Secretary

Position Held

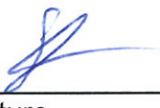
EXECUTED by OLIVECORP LAND)
PTY LTD by two of its directors in)
accordance with section 127 of)
the Corporations Act:)



Signature
Mark H Pryn

Full Name
Secretary

Position Held



Signature
Sol Rabinowicz

Full Name
Director

Position Held

SCHEDULE 1

Form of Exercise of the Call Option

To: Olivecorp Land Pty Ltd (ACN 090 141 512)

Almond Land Pty Limited, being a party to the Option Agreement made on *[insert date of Agreement]* gives notice that it wishes to exercise the option granted to in under Clause 2.1 of that Agreement to purchase Water Licences for permanent water rights of *[insert volume]* megalitres.

**EXECUTED by ALMOND LAND)
PTY LIMITED by two of its)
directors in accordance with)
section 127 of the Corporations)
Act:)**

Signature

Signature

Full Name

Full Name

Position Held

Position Held