Plantation Land Holdings Limited

ACN 099 593 487

PROSPECTUS

For the issue of up to 2,000,000 Ordinary Shares
at an issue price of $0.50 cents each to raise up to $1,000,000 to lease and develop Australia's largest commercial Neem plantation.

This Prospectus is dated the 21st day of January 2005.

Application will be made within 7 days of the date of this Prospectus for listing of the Company's Shares offered by this Prospectus on the Stock Exchange of Newcastle Limited. The fact that the Stock Exchange of Newcastle Limited may list the Shares of the Company is not to be taken in any way as an indication of the merits of the Company or the listed Shares. The Stock Exchange of Newcastle Limited takes no responsibility for the contents of this document, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this document.

Brokers to the Issue
Cameron Stockbrokers Limited
Pritchard & Partners Pty Ltd

IMPORTANT NOTICES

This Prospectus is dated the 21st day of January 2005 and it was lodged with the Australian Securities and Investments Commission [ASIC] on the 21st day of January 2005. It is issued by Plantation Land Holdings Limited ("the Company").

Neither ASIC nor any of its officers take any responsibility for the contents of this Prospectus.

No Ordinary Shares will be allotted or issued on the basis of this Prospectus later than thirteen months from the date of the original Prospectus. This Prospectus expires on the Expiry Date.

If the Minimum Subscription is not reached within four months after the date of this Prospectus any subscriptions already received by the Company pursuant to this Prospectus will be repaid in full without interest.

Potential investors should be aware that they have no right to require that their Ordinary Shares in the Company be redeemed or repurchased by the Company or any third party.

No person or corporation connected with the issue of this Prospectus guarantees, underwrites or warrants the performance of the Company or the Ordinary Shares offered under this Prospectus and no guarantee is given in relation to any return of capital or payment of income distributions or any other return to holders of Ordinary Shares offered under this Prospectus.

This is not intended as a short-term investment and will be subject to the risks generally associated with commercial ventures. An investment in Ordinary Shares offered in this Prospectus should therefore be considered speculative.

There is no guarantee that the Shares offered under this Prospectus will provide a return on capital, lead to payment of dividends or that there will be any increase in the value of the Shares in the future.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation in relation to the Offer not contained in this Prospectus may not be relied on as having been authorised by the Company in connection with the Offer.

The Offer made pursuant to this Prospectus is not made in any jurisdiction other than in Australia. This Prospectus does not constitute an offer in any place which, or to any person to whom, it would not be lawful to make such an offer. The distribution of the Prospectus in a jurisdiction other than Australia may be restricted by law and persons who come into possession of the Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. It is the responsibility of all overseas Applicants to ensure their compliance with the laws of any country relevant to their application for Ordinary Shares under this Prospectus. Residents of other jurisdictions could consider doing so using Australian domiciled entities including nominee companies affiliated with Australian Broking firms and should seek their own advice.

Certain terms and abbreviations in this Prospectus have defined meanings that are explained in Section 13 - Defined Terms to this Prospectus.

This document is important and should be read in its entirety. Applicants are advised to consult a professional adviser for the purpose of making an informed assessment of this Offer before deciding to participate in it.

If after reading this Prospectus you have any questions about the Issue you should consult your professional adviser(s).

Applications for Ordinary Shares can only be made by completing the Application Form to be found at the back of this Prospectus.

Exposure Period

Pursuant to the Corporations Act this Prospectus is subject to an exposure period of 7 days from the date of lodgement with ASIC which period may be extended by ASIC by a further period of 7 days. The Exposure Period enables this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus. If deficiencies are detected the Company will either return any application moneys that the Company has received or give to each Applicant a supplementary or replacement Prospectus that corrects the deficiency and give the Applicant the option to withdraw the Application within one month and be repaid the application money.

Applications received prior to the expiration of the Exposure Period will not be processed until after the Exposure Period. No preference will be conferred on applications received during the Exposure Period and all applications received during the Exposure Period will be treated as if they were simultaneously received on the Opening Date.

Electronic Prospectus

This Prospectus may be viewed online at www.neemtree.com.au

The Offer pursuant to this Prospectus is available to persons receiving an electronic version of this Prospectus within Australia. The Offer made under this Prospectus is only available to persons receiving this Prospectus in this jurisdiction. The Company is entitled to refuse an Application for Ordinary Shares under this Prospectus if it believes the Applicant did not receive the Offer in Australia. There is no facility for online applications. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the

Company must only access the Prospectus from within Australia. Ordinary Shares to which this Prospectus relates will only be issued on receipt of an Application Form issued together with the Prospectus. Applications must be made by completing a paper copy of the Application Form. The Company will not accept Application Forms electronically. The Corporations Act prohibits any person from passing on to another person the Application Form unless it is attached to a hard copy of this Prospectus or accompanies the complete and unaltered version of this Prospectus. During the Offer Period any person may obtain a paper copy of this Prospectus free of charge by contacting the Registered Office on telephone on (61+)-8-9455-7022.

Miscellaneous

Items and undertakings displayed in photographs in this Prospectus are not assets owned by the Company. The inclusion of photographs supplied by persons or entities other than the Company does not constitute an endorsement or recommendation by those persons or entities of the Ordinary Shares offered under this Prospectus.

IMPORTANT DATES AND ACTION REQUIRED

The dates shown in Table 1 below which are later than the date of this Prospectus are indicative only and may be varied. The Company reserves the right to vary the Opening Date and the Closing Date without prior notice which may have a consequential effect on other dates. Accordingly, applicants are encouraged to submit their Applications as soon as possible after the Offer opens.

Table 1	Important Dates
Prospectus lodged at ASIC	21st January 2005
Offer open for acceptance	7th February 2005
Closing Date (Last day for Applicants to lodge Application Forms)	31st March 2005
Intended date for allotment of Ordinary Shares (subject to permission for Quotation being granted by the NSX).	7th April 2005
Estimated date for quotation of Ordinary Shares	14th April 2005

Action required by Applicants

Persons wishing to apply for Ordinary Shares pursuant to the Offer should complete the Application Form at the back of this Prospectus and send that form together with the Subscription Amount to the address shown on the form so that it is received prior to the Closing Date.

CONTENTS

SECTION 1: CORPORATE DIRECTORY

Directors:

Leonard King **CD Assoc Bus Dip (Acctg) FPNA FNTAA** (Chairman)
David Richard McDonald **ASIA**
Marinko Pecotic **JP, Dip Acctg (ACC), MNIA, FTIA**
Dr Boon Tan **B.Com [Accounting] MBA DBA**

Company Secretary and Public Officer

Francesco Prontelli

Registered & Principal Office:

care Link Accounting
Unit 16, 64 Bannister Road,
Canning Vale WA 6155
Tel: (61+)-8-9455-7022
Fax: (61+)-8-9455-7502
Email: neemtree@bigpond.com
Website: www.neemtree.com.au

Independent Expert:

Professor E. David Morgan
School of Chemistry and Physics
Keele University
Staffordshire, ST5 5BG
UNITED KINGDOM

Independent Forester:

Errol Wiles
Director, North Queensland Timber Co-Op Ltd
Registration No. QLD QC0194
PO Box 375, Babinda QLD 4861

Brokers to the Issue:

Cameron Stockbrokers Ltd
Level 5, 10 Spring Street,
Sydney NSW 2000
(AFS Licence Number: 246705)

Sponsoring Broker &
Nominated Adviser:

Pritchard & Partners Pty Ltd
10 Murray Street,
Hamilton NSW 2303
(AFS Licence Number: 246712)

Share Registry:

Newcastle Capital Markets
Registries Pty Limited
10 Murray Street,
Hamilton NSW 2303

Solicitor to the Company:

Alan Eden
Gadens Lawyers
240 Queen Street,
Brisbane QLD 4000

Registered Company Auditor:

Michael Hillgrove
Hall Chadwick
Chartered Accountants & Business Advisers
Level 40, Bank West Tower, 108 St. George's Terrace,
Perth WA 6000

Independent Accountant:

Francesco Prontelli
Malaga Business Services
4 Giralia Parkway,
Ballajura WA 6066

Prospectus Consultant:

Equity Capital Solutions
ABN: 81 791 430 879
55 Stirlingia Drive,
Toodyay WA 6566

SECTION 2: LETTER FROM THE CHAIRMAN

Dear Investor,

Thank you for considering an investment in Plantation Land Holdings Limited ("the Company"). The Company was established to lease, develop and manage Australia's largest commercial neem farm in Northern Queensland and process, formulate, develop and register 100% Australian-made Neem-based products in Australia and/or sell them overseas.

The rapid growth in organic farming is a testament to the fact that consumers today are aware of and concerned about the food they ingest. It is no longer fanciful to suggest a link between the application of chemicals and a range of human diseases including cancer. Synthetic insecticides, approved by the authorities for use in agriculture, are no longer having the desired effect because the insects and pests they were designed to eradicate have now become resistant.

What is needed is a non-toxic alternative, which is pest-specific, harmless to humans, animals and fish, less prone to pest resistance and resurgence, bio-degradable and cost-effective. One promising alternative is the Neem tree.

The insect repellent ability of Neem was first reported in India in 1928. In 1959, Dr. Heinrich Schmutterer, a young German scientist trained in entomology and plant pathology, worked in the Sudan during a locust invasion and noticed that Neem trees were the only plants that remained green and healthy while all other vegetation was completely destroyed by the locust plague. Swarms of locusts also settled on Neem trees but left without feeding. Schmutterer wondered why Neem was not touched by locusts and he decided to study this unusual phenomenon in depth. Professor Schmutterer's decades of research culminated in the 1995 publishing of "The Neem Tree", a 700 page treatise evidencing his lifetime of devoted study to Neem. Since 1980, seven International Neem Conferences have taken place around the world to discuss advances in scientific knowledge of Neem, its progress as a bio-pesticide and its pharmaceutical uses.

Approximately thirteen years ago the Neem plantation leased by the Company was planted near Georgetown in the remote Queensland Gulf Country with the assistance of the Queensland Department of Primary Industries. For the past several years produce from this Plantation has been collected and processed into Neem powder and Neem oil.

A great potential for Neem appears to be in the pesticide market. Neem-based products including pesticides have been registered in numerous countries around the world including the USA, Switzerland, Sweden, Austria, Spain, Portugal, India, Nepal, Pakistan, Sri Lanka, Israel, Saudi Arabia, Mauritius and Egypt, however, Neem based products have not yet been registered in Australia.

The purpose of this capital raising is to provide funds to:-

1. Formalise a 10 year lease of Australia's largest commercial Neem plantation with an option to extend for a further 10 years;
2. Harvest and market all Neem produce annually from 2006;
3. Cover the costs of preparing, printing and marketing this Prospectus; and,
4. Provide adequate working capital until the Company becomes cash flow positive.

The Directors bring with them valuable experience and knowledge of the cultivation of Neem trees and will apply that experience and knowledge to successfully manage the Company.

This is an opportunity to participate in an Australian owned and operated environmentally-friendly Company. My co-Directors and I are shareholders in the Company and we also hold Options to acquire further Ordinary Shares at a premium - see Section 11 – Additional Information.

I recommend this investment to you and encourage your participation.

Plantation Land Holdings Limited

(Signature)

Leonard King **CD Assoc Bus Dip (Acctg) FPNA FNTAA**
Chairman

SECTION 3 WHAT IS NEEM?

Background

The beneficial properties of the Neem tree (Azadirachta indica) have been part of Indian folklore for thousands of years. The Sanskrit name of the Neem tree is Arishtha, 'reliever of sickness', and for centuries the fruits, leaves, oil, bark and roots of the tree have been used in Ayurvedic and Unani medical treatments. Dubbed 'the village pharmacy', Neem has numerous medicinal properties, aiding conditions ranging from stomach ulcers to diabetes and from high blood pressure to cancer. Neem has traditionally been used as a contraceptive, for pain relief and dental treatments, to heal skin diseases including leprosy, and a multitude of other conditions. Researchers world-wide are investigating these uses, as well as the potential for Neem in cancer, diabetes and malaria treatments.

Physical attributes

The Neem tree is a botanical cousin of mahogany. It has an attractive crown of deep green foliage, and it bears masses of white flowers, which produce numerous olive-like fruits. The Neem tree reaches heights of up to 30 metres. It has a light canopy and is very flexible. Neem normally begins fruiting after 3 to 5 years. Fruit yields range from between 9 to 55 kg, averaging at between 25 - 30 kg per tree. Leaves and bark are also collected for their various properties. Every part of the Neem tree is exploitable, from the fruit pulp, seed and kernel, to the flowers, leaves, bark and timber.

Properties of Neem

Neem contains many active chemicals with proven insecticidal properties called limonoids, including azadirachtin, salannin and nimbin. Azadirachtin is the primary chemical responsible for the insecticidal properties of Neem. It is found in the Neem seed at concentrations of between 0.2-1.8% (average 0.6%). Azadirachtin generally does not kill insects directly. It works by blocking the molting of insect larvae, disrupting mating and sexual communication, it deters feeding, deters females from laying eggs, and disrupts or inhibits the development of eggs, larvae or pupae. Some Neem extracts have nematicidal, bactericidal, viricidal and fungicidal properties also.

A great deal of international research has been conducted into Neem, particularly with its potential as a commercial bioinsecticide. Due to the complex mixture of active components in the Neem extract, not a single case of resistance to Neem by a pest has been observed. For example, in an artificial selection experiment with greenhouse-using green peach aphids (Myzus persicae), after forty generations, aphids became nine-fold resistant to azadirachtin when treated with the pure chemical, but no resistance occurred when aphids were treated with a Neem extract, even though they were exposed to the same absolute amount of azadirachtin.

Importantly, Neem does not harm beneficial insects. Only those insects which bite and pierce the plant are exposed to the harmful effects of azadirachtin. When applied to the soil, azadirachtin is taken up by some plants and is found in the leaves of the plant. Pollinators such as butterflies and bees, and predators such as spiders, lady bugs and wasps are generally not affected. Azadirachtin is biodegradable, and non-toxic to humans, animals and fish.

In 1992 a 141-page Report entitled “Neem – A Tree for Solving Global Problems” was published by the National Academy Press in Washington, DC. The Report was approved by the Governing Board of the National Research Council, whose members are drawn from the councils of the National Academy of Sciences, the National Academy of Engineering, and the Institute of Medicine. The six members of the committee and twenty-three contributors responsible for the Report were chosen for their special competence and with regard for appropriate balance. The Report was reviewed by a group other than the authors.

The first paragraph of the Preface to the Report reads as follows:- “Neem is a fascinating tree. On the one hand, it seems to be one of the most promising of all plants and may eventually benefit every person on the planet. Probably no other yields as many strange and varied products or has as many exploitable by-products. Indeed, as foreseen by some scientists, this plant may usher in a new era in pest control, provide millions with inexpensive medicines, cut down the rate of human population growth, and perhaps even reduce erosion, deforestation, and the excessive temperatures of an overheated globe”.

In his Foreword to the Report, Noel Vietmeyer, Study Director and Scientific Editor, stated: “The people of India have long revered the Neem tree …To those millions in India Neem has miraculous powers, and now scientists around the world are beginning to think they may be right ….Even some of the most cautious researchers are saying that ‘Neem deserves to be called a wonder plant’ …In particular, Neem may be the harbinger of a new generation of ‘soft’ pesticides that will allow people to protect crops in benign ways”.

SECTION 4 THE NEEM INDUSTRY

The market for natural health products and alternative health treatments has grown significantly in recent years. A growing awareness of the damaging side-effects caused by synthetic medicines and chemicals has led to a steadily increasing movement towards sustainable agriculture with little or no input of toxic synthetic pesticides in an attempt to preserve and protect the environment and human health. Neem is one of these alternatives.

Research over the past two decades has isolated approximately 390 different insect species that are affected by the bioactivity of the Neem tree. It has been discovered that certain major pest species known for their stubborn resistance to synthetic pesticides are actually controlled by extracts from the Neem tree. Neem pesticides have been registered in the USA, Germany, Sweden, Spain, Switzerland, India, Pakistan, Kenya, Uganda, Israel and numerous other countries throughout the world. Neem can also be made into Neem skin tonic, Neem moisturizing lotion, Neem soap, Neem hair-care products including shampoo, conditioner and lice treatments, Neem cosmetics and Neem toothpaste, Neem mosquito repellant, Neem pet shampoo, Neem pet soap, and Neem pet flea powder. Neem leaf teas are also popular for their healing potential.

The Company will endeavour to obtain registration of 100% Australian-made Neem-based organic products including pesticides and other pharmaceutical products with the National Registration Authority (NRA) and Therapeutic Goods Administration (TGA). The registration of any agricultural, veterinary or pharmaceutical products with the NRA or TGA will officially permit the sale of these products in Australia. Until this registration process is completed the Company will export all Produce.

SECTION 5: INDEPENDENT EXPERT'S REPORT

Professor E David Morgan,
Chemical Ecology Group,
Lennard-Jones Laboratory
School of Chemistry and Physics
Keele University, Staffordshire, ST5 5BG
ENGLAND

Tel: 44 7774-567997 / Fax: 44 1782 712378
E-mail: e.d.morgan@chem.keele.ac.uk

21st January 2005

The Board of Directors
Plantation Land Holdings Limited
care Link Accounting,
Unit 16, 64 Bannister Road,
Canning Vale 6155
Western Australia

Gentlemen,

This report has been prepared for inclusion in a Prospectus to be dated the 21st day of January 2005 and issued by Plantation Land Holdings Limited in relation to the value of the Neem tree as a source of biopesticides and other commercial products in connection with the development of Neem Plantations in Australia.

I am a Professor of Entomological Chemistry. I have 47 years of research experience since graduating, and I have been working on insect chemistry and the properties of Neem seeds for 37 years. I hold the degrees of B.Sc., M.A. and D. Phil. I am a Chartered Chemist, a Fellow of the Royal Society of Chemistry, the Royal Entomological Society, the Chromatographic Society, a life member of the International Society for Chemical Ecology and a member of the International Society for the Study of Social Insects.

Plants and insects have existed together for over 3 million years. In this time plants have evolved many ways of deterring predators, for example, these may be physical (thorns, thick wax coatings, sticky latex) or chemical (toxic, bitter taste or affecting growth and hormones). There are therefore hundreds or thousands of plant compounds that are toxic or deterrent to insects,[1] some more effective than others. Some of them have long been known to us and extracted industrially for use in agriculture against pests. Examples are nicotine from tobacco plants, rotenone (and related compounds) from derris root, ryanodine, and sabadilla. Pyrethrin from pyrethrum flowers is a good example of a natural pesticide widely used because of its special properties of quick "knock-down" although it is not very persistent.

One plant has escaped attention until recently, though its use was known for a very long time at a folk level in the Indian sub-continent, that is the Neem tree (Azadirachta indica). It was known from earlier work that the leaves of the Neem tree, and the related Persian lilac (Melia azedarach) were not eaten by swarming locusts, which usually eat every green thing. In the course of chemical work on the desert locust, my student J. H. Butterworth and I made a systematic study of the Neem seeds to discover the repellent substance. In 1967 we isolated the most powerful feeding deterrent from the seeds and called it azadirachtin, and showed that there were other substances present with similar properties.[2]

Azadirachtin proved to be a powerful deterrent to feeding by the desert locust and some other insects, but not as effective for others. However Ruscoe of Plant Protection Ltd. showed that our material affected the growth and development of insects not deterred from eating it.[3] From the work of others, particularly Prof. H. Schmutterer, Prof. W. Kraus, Dr. R. Saxena, the US department of Agriculture, and many others, we now know that azadirachtin and the substances related to it in the seeds are effective against a wide spectrum of insect pests. A recent estimate is 350 insect species. It is effective at 0.1 parts per million against some crop pests, that means that 1 gram of azadirachtin could protect 10 tons of growing crop material from insects. The important pest of cotton in Australia and of other crops in other countries Helicoverpa armigera (known as the cotton bollworm or gram pod borer) has become highly resistant to many conventional pesticides, but as little as 0.000,000,01% of azadirachtin added to its diet causes it to reduce its feeding and 0.000,001% stops normal development and the insect begins to die.[4]

The discovery by Gill and Lewis that azadirachtin can act systemically and is taken up from the soil makes it a still more valuable material.[5] Further work on this property has been carried out by Sunderam in Canada, showing azadirachtin is taken up from the soil by the roots of young aspen trees within 3 hours and carried to their growing tips.[6]

From early work the impression may be received that azadirachtin is an unstable substance and shows little persistence in the field. This is not so, and was caused by lack of chemical knowledge and badly prepared products. While the detailed evidence cannot be presented here,

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[1] E. D. Morgan and J. D. Warthen, "Insect feeding deterrents" in *Handbook of natural pesticides*, Vol. VI, edited by E. D. Morgan and N. B. Mandava, CRC Press, Boca Raton, 1990, pp. 23-134

[2] J. H. Butterworth and E. D. Morgan, Isolation of a substance that suppresses feeding in locusts, *J. Chem. Soc. Chem. Commun.* 1968, 23.

[3] C. N. E. Ruscoe, Growth disruption effect of an insect antifeedant, *Nature New Biology*,1972, **236,**159.

[4] P. D. Robinson, Ph. D. Thesis, Keele University , 1988, p. 144.

[5] J. S. Gill and C. T. Lewis, Systemic action of an insect feeding deterrent, *Nature*, 1971, **232,** 402.

[6] K. M. S. Sunderam, Azadirachtin biopesticide: a review of studies conducted on its analytical chemistry, environmental behaviour and biological effects, *J. Environ. Sci. Health, Part B*, 1996, **31,** 1289.

it is available in several publications and is summarized in the section on azadirachtin in a chapter of Comprehensive Natural Product Chemistry.[7]

Already this knowledge leads to some important conclusions. First, azadirachtin and the related active compounds in the Neem tree are very complex substances. Azadirachtin has not yet been synthesized in the laboratory, but even when it is, it will be cheaper to obtain it from the plant, just as we still obtain penicillin by growing the mould and extracting it, although penicillin has been made in the laboratory years ago. Secondly, the seeds, a renewable part of the tree, are the richest source of azadirachtin. There is no need to check the growth of the tree to obtain the material. Thirdly, the complex mixture of other minor active compounds that accompany azadirachtin is a great weapon against the emergence of resistance in insects. There is no need or advantage to isolate pure azadirachtin. The rapid development of resistance in insect pests to new single-compound pesticides has been our experience many times in recent agricultural practice. The chance of resistance developing to a mixture of two toxins administered together is much smaller (the product of the probability for each separately). The probability of resistance to a complex mixture is many times less. There is experimental evidence to support this. Pest resistance is therefore much less of a problem with bio-pesticides compared to synthetic pesticides. Finally the systemic action, with azadirachtin transported within the plant to the growing points, the part of crops most susceptible to insect attack makes the Neem extract a remarkable product of nature. The list by no means exhausts the benefits. For example, another problem of synthetic pesticides has been that they destroy beneficial insects along with the pests. Azadirachtin and its related compounds are toxic to leaf-eating insects but apparently do not harm the beneficial insects, like solitary wasps, that attack the pests.

It is surprising that this highly effective natural pesticide had remained undiscovered for so long, and sad that once discovered, it did not reach commercial production sooner. Restrictive laws created to regulate synthetic pesticides, and attempts by ignorant producers to market products that had not been properly tested have been largely responsible. That is now behind us, we understand the product, the United States has led the way in making different regulations for natural pesticides, and the quantity of Neem seeds being processed is increasing yearly. One US company had a turnover of US$ 1.4 million in 1994 rising to US$ 7 million in 1998.

There is evidence that Neem seed extract is active against pests other than insects, in particular soil nematodes, mites and possibly fungi, but these are areas beyond my expertise. Not only is it useful for plant pests, but it is potentially useful against pests on domestic animals, cattle and sheep. A comprehensive account of the Neem tree and its properties, especially as a pesticide has been compiled by Professor Schmutterer.[8] Azadirachtin is listed in The Pesticide Manual, the standard reference work on pesticides,[9] and The Biopesticide Manual.[10] There is current

[7] E. D. Morgan and I. D. Wilson, "Insect hormones and insect chemical ecology" in *Comprehensive Natural Products Chemistry* series editor D. H. R. Barton, Volume 8 (edited by K. Mori), Elsevier Science, Oxford, 1999, pp. 263-375.
[8] H. Schmutterer (editor), *The neem tree, source of unique natural products for integrated pest management, medicine, industry and other purposes,* VCH Publishers, Weinheim and New York, 1995, pp. xxiii + 696.
[9] Entry no. 36, *The Pesticide Manual,* C. Tomlin, editor, British Crop Protection Council, Farnham, England, 11th Edition, 1997.

interest in the use of Neem soaps, shampoos and skin care products made from Neem oil. These, and the use of herbal medicines are described in a new book.[11]

I have been active in chemical research on insects and insect-plant interactions for nearly forty years, in industry and university. I have been following the growing of Neem trees in Australia for some years. It is evident they grow well in the appropriate climate and they flower and fruit well. It is also evident there is a strong demand (and need) for effective, non-persistent pesticides in Australia and world-wide and that there is a secure market for other Neem products such as bodycare, herbal, veterinary, and pet products.

I have no financial association with Plantation Land Holdings Limited or its directors, other than for professional fees received for the compilation of this report.

Yours sincerely,

E. David Morgan

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[10] Entry No. 1:02, *The Biopesticides Manual,* L. G. Copping, editor, British Crop Protection Council, Farnham, England, 1st Edition, 1998.
[11] H. S. Puri, *Neem, the divine tree,* Medicinal and aromatic plants – Industrial profiles, Volume 5, Harwood Academic Publishers, Amsterdam, 1999, pp. xi +182.

SECTION 6: INDEPENDENT FORESTER'S REPORT

NQ TIMBER CO-OPERATIVE
PO BOX 375
BABINDA QLD 4861

21st January 2005

The Board of Directors
Plantation Land Holdings Limited
care Link Accounting,
Unit 16, 64 Bannister Road,
Canning Vale 6155
Western Australia

Gentlemen,

This report has been prepared for inclusion in a Prospectus to be dated the 21st day of January 2005 and issued by Plantation Land Holdings Limited in regard to a commercial Neem plantation in northern Queensland ("existing Neem plantation").

The consultant has extensive experience in forestry and has worked with tree plantations in Queensland for over 40 years even though 23 years of that time were spent in the RAAF. He is a Director of Cape York Forest Management and Chairman of the Private Forestry Advisory Committee, reporting to the Queensland Minister for Primary Industries.

Introduction

Neem, *Azadirachta indica*, is a tree native to the Indo Pakistan sub continent where it grows in areas up to an elevation of 1000m, preferring soils that are deep, porous, well drained and with a pH range of between 5.0 and 8.5. It flourishes in a tropical climate with hot wet summers, mild winters without heavy frosts, and an annual rainfall of between 500 to 1500 mm.

The tree has a deep taproot and extensive root system, making it highly resistant to drought. Its crown is evergreen but can have a short deciduous phase during prolonged drought periods. Its canopy is light with a large crown spread when grown in open situations. The flowers are white, small, sweetly scented, bi-sexual and open pollinated. Neem fruit is olive-like, smooth, up to 1.8 cm long, greenish yellow to yellow when ripe, and edible.

Neem has many attributes. It is a fast grower, hardy, stable in windy situations, and is long lived. It fruits early, is easily propagated sexually and vegetatively, withstands pollarding and freely coppices. An important feature of this tree is that it is termite resistant, and has no serious pests and disease problems.

Location

The Gilbert River site is situated 70 km west of the small township of Georgetown in north Queensland, approximately 380 km inland from Innisfail. It is on the east side of the Gilbert River, a major river into the Gulf of Carpentaria.

Land Use History

Prior to the establishment of a Neem plantation in 1990, the Gilbert River property was regularly cultivated for crops such as melons and pumpkins. Earlier, forage crops were grown to support the gold mining industry of the late 1800s and early 1900s. Twenty hectares of Neem trees were planted in 1990, and were certified organic by both NAASA and the International Certification Group Farm Verified Organics in 1997.

Land Description

The Gilbert River property is 91.64 hectares (226 acres) in size with approximately 20 hectares of eleven to thirteen-year old Neem trees. Approximately 7.5 hectares is rocky and boggy and hence unsuitable for planting. A creek runs through the North-East corner of the property separating the rocky land from the suitable land. The remaining 64 hectares of land is suitable for planting Neem trees. This empty land is covered in grasses and small shrubs. The land has a westerly aspect on a very slight slope.

Geology and Climate

The Gilbert River land is located on a deep sandy loam alluvium overlying an indurated ribbon stone base, with a pH of between 6.3 and 7.5. Georgetown receives an annual rainfall of 786 mm, the majority of which falls between December and March. The minimum and maximum temperature ranges from 12-23°C and 28-36°C respectively. All these conditions are highly suitable for successful Neem growth as demonstrated by the existing Neem trees.

Water Supply

The rainfall is well within Neem tree growth requirements. The Gilbert River property has a water licence for irrigating 80 ha at a maximum rate of 30 L per second from the Gilbert River.

Species to be planted

The original plantation on the Gilbert River property was established using seeds of superior quality obtained from Nigeria and Mauritius and propagated by the Queensland Department of

Primary Industries. Seedlings for this Project will be sourced and propagated from a selection of superior trees on the existing Neem plantation.

Method of site preparation

The land will be cleared, ripped, ploughed and levelled prior to planting. The property will be surrounded by vermin-proof fencing, and heavy-duty weed matting will be installed. After planting, irrigation will be connected and applied to the land.

Stocking rate and method of planting

Initial stocking rate will be approximately 400 trees per hectare, with spacing at 5 metres x 5 metres. Planting will commence during 2004. Six-month old seedlings will be planted by hand and surrounded by one meter square of weed matting.

Management of the plantation

Regular checks of plantation survival will take place and any seedlings that do not survive will be replaced. Any weeds which grow around the weed matting will be slashed regularly. Fire breaks of 10m width are to be installed and maintained regularly. The trees will receive an initial application of Neem Litter and Dynamic Lifter. The plantation will be carefully monitored, and additional applications of fertiliser will be carried out in a liquid form of Neem-rich fertilising solution when required. Insect activity will be monitored regularly and adequate measures taken, however, the existing Neem plantation has never had any problems with diseases or insect pests. Collection of Neem fruit, leaves, bark and other litter will take place on a regular basis. Neem fruit falls between early December and late January and is to be collected from the underlying nets by a tractor mounted vacuum. Pruning will be conducted in a way that results in a good balance between fruit production and leaf production.

Anticipated yields

Neem fruit yield is highly dependant on growing conditions and the age of the tree. A single tree averages a yield of between 25 and 30 kg of fruit when mature (10 years old). Given the highly suitable growing conditions of the existing Neem plantation it is anticipated that at maturity the average tree will yield approx. 30 kg of Neem seed and approx. 60 kg per tree of other Neem produce which can be made into Neem leaf tea, powdered Neem leaf, powdered Neem litter, Neem leaf oil and Neem litter oil.

Marketing

There is an expanding market worldwide for natural products such as Neem. Neem seeds and organic material can be exported to countries which have already registered Neem-based pesticides, such as the USA, Switzerland, Sweden, Germany, Austria, Spain, Portugal, India, Nepal, Pakistan, Sri Lanka, Israel, Saudi Arabia, Mauritius and Egypt, where there is a high demand for high quality Neem seed.

Conclusion

The yields of the Neem trees will depend on seasonal conditions. The soil, rainfall and temperature conditions at the existing Neem plantation are optimal for the Neem tree.

The growing demand for natural alternatives to every-day chemicals, and an increasing awareness of the harmful effects of pesticide application has opened the market for Neem products world-wide.

North Queensland Timber Cooperative Ltd have only been involved in the preparation of this Independent Forester's Report and no other part of this Prospectus. The opinions expressed in this Report are based on a previous inspection of the existing Neem plantation and thirty eight years experience as a private forester.

Yours faithfully,

North Queensland Timber Cooperative Ltd
Errol Wiles
Director

Mr Wiles is a Director of Cape York Forest Management and Chairman of the Private Forestry Advisory Committee reporting to the Queensland Minister for Primary Industries.

SECTION 7: DETAILS OF THE OFFER

The Offer

The Company is offering for subscription a total of 2,000,000 Ordinary Shares at an issue price of $0.50 cents each payable in full on application to raise $1,000,000. All Ordinary Shares offered pursuant to this Prospectus will rank equally with Existing Shares. The rights attaching to Ordinary Shares are further described in Section 11 – Additional Information to this Prospectus.

Purpose of the Offer

The purpose of the Offer is to further develop Australia's largest commercial Neem plantation near Georgetown in Queensland. The Company will use the proceeds from the Offer to:

1. Formalise a 10 year lease of the plantation with an option to extend for a further 10 years;
2. Harvest and market all Neem produce annually from 2006;
3. Cover the costs of preparing, printing and marketing this Prospectus; and,
4. Provide adequate working capital until the Company becomes cash flow positive.

Capital Structure

If the Offer is fully subscribed there will be a total of 3,925,800 Ordinary Shares on issue including 2,000,000 Ordinary Shares the subject of the Offer. Prior to the Offer there were 1,925,800 Ordinary Shares on issue. Set out in Table 2 below is a summary of the Ordinary Shares on issue after completion of the Offer based on the Offer being fully subscribed.

TABLE 2:

CAPITAL STRUCTURE First Name(s)	Surname	Number of shares	Approx. %	Paid per share	Consideration
John W.	Boland	8,800	0.2%	$1.00	Cash*
Byron Leslie	Browning	8,800	0.2%	$1.00	Cash*
Arthur J. & Lynette A.	Byworth	8,800	0.2%	$1.00	Cash*
Alfred John	Dale	8,800	0.2%	$1.00	Cash*
Peter George	Grygorcewicz	8,800	0.2%	$1.00	Cash*
Anant Shivram	Hegde	8,800	0.2%	$1.00	Cash*
Lindsay D. & Alison J.	King	8,800	0.2%	$1.00	Cash*
Zdzislaw	Pablich	8,800	0.2%	$1.00	Cash*
Peter Brian	Rosenbauer	8,800	0.2%	$1.00	Cash*
Donald William	Walpole	8,800	0.2%	$1.00	Cash*
Kevin Maxwell	Drake	17,600	0.4%	$1.00	Cash*
Ricardo & Corazon	Francisco	17,600	0.4%	$1.00	Cash*
Warren	Hasluck	17,600	0.4%	$1.00	Cash*
Paul Douglas	Jakins	17,600	0.4%	$1.00	Cash*
Ian Thomas	Johnson	17,600	0.4%	$1.00	Cash*
John D.	McLean	17,600	0.4%	$1.00	Cash*
(Mr) Vivien	Rukuwai	17,600	0.4%	$1.00	Cash*
Trapdoor Pty Ltd		17,600	0.4%	$1.00	Cash*
Anthony	Elener	26,400	0.7%	$1.00	Cash*
Pere	Gray	26,400	0.7%	$1.00	Cash*
Matthew	Moghaddam	26,400	0.7%	$1.00	Cash*
Alan	Orenshaw	26,400	0.7%	$1.00	Cash*
Murray James	Pendlebury	26,400	0.7%	$1.00	Cash*
Garry Stephen	Beplate	35,200	0.9%	$1.00	Cash*
Gregory Kenneth	Ford	35,200	0.9%	$1.00	Cash*
Dr James	Herrman	35,200	0.9%	$1.00	Cash*
Jan	Paulin	35,200	0.9%	$1.00	Cash*
Jorge & Irene	Rodriguez	35,200	0.9%	$1.00	Cash*
Ross	Fraser	44,000	1.1%	$1.00	Cash*
Viloun	Keomoungkhoun	75,000	2.0%	$0.05	Services
Cam	Ly	75,000	2.0%	$0.05	Services
John	Spaseki	75,000	2.0%	$0.05	Services
Francesco	Prontelli	75,000	2.0%	$0.05	Services
David	Lambert	75,000	2.0%	$0.05	Services
Kasia	Thomson	75,000	2.0%	$0.05	Services
Dr Boon	Tan	100,000	2.5%	$0.05	Services
David Richard	McDonald	175,000	5.0%	$0.05	Services
Marinko	Pecotic	175,000	5.0%	$0.05	Services
Leonard	King	175,000	5.0%	$0.05	Services
Dr Danny Hung-Duc	Tang	270,000	6.9%	$1.00	Cash*
This Offer		**2,000,000**	**51.0%**	**$0.50c**	**Cash**
TOTAL		**3,925,800**	**100%**		

Cash* - refers to cash subscriptions previously made & lost in a Managed Investment Scheme concerning the same plantation the subject of this Prospectus known as the Neem Australia Project No. 1.

Working Capital Adequacy

The Directors are satisfied that upon completion of the Offer, based upon the Minimum Subscription being subscribed, the Company will have sufficient funds to carry out its stated objectives. Further funding, if required, may be sourced from further equity raisings or borrowings but there is no guarantee that the Company will be successful in attracting any further funds on favourable terms or at all.

The Company reserves the right to extend the Offer or to close the Offer early without notice. Applicants are therefore urged to lodge their Application Forms as soon as possible.

An original, completed and lodged Application Form for Ordinary Shares together with a cheque for the Subscription Amount, constitutes a binding and irrevocable offer to subscribe for the number of Ordinary Shares specified in the Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly, if the wrong Application Form is completed, or if the accompanying payment is for the wrong amount, it may still be treated by the Company as valid. The Directors' decision as to whether to treat that application as valid and how to construe, amend or complete the Application Form is final, however, an Applicant will not be treated as having applied for more Ordinary Shares than is indicated by the amount of the cheque for the Subscription Amount.

Allocation and Allotment of Shares

The Company reserves the right to reject any application or to allot a lesser number of Ordinary Shares than that applied for. If the number of Ordinary Shares allocated is less than that applied for, the surplus Subscription Amount will be promptly refunded without interest.

The allotment of Ordinary Shares will occur as soon as practicable after the Minimum Subscription has been raised and the closure of the Offer. All Ordinary Shares issued pursuant to the Offer will rank pari passu in all respects with the Existing Shares. Statements of shareholding will be dispatched as required by the NSX. It is the responsibility of Applicants to verify their allocation prior to trading in the Ordinary Shares. Applicants who sell Ordinary Shares before they receive their statement of shareholding will do so at their own risk.

Subscription Amounts to be held in Trust

The Subscription Amounts for Ordinary Shares to be issued pursuant to the Offer will be held in a separate bank account on behalf of the Applicants until the Ordinary Shares are allotted. If the Minimum Subscription is not achieved within a period of 4 months from the date of this

Prospectus, the Subscription Amounts will be refunded in full without interest and no Ordinary Shares will be allotted pursuant to this Prospectus.

NSX Listing – The Stock Exchange of Newcastle Limited

The Company will apply to the NSX no later than seven days from the date of this Prospectus for the Company to be admitted to the Official List and for the NSX to grant Official Quotation to the Ordinary Shares to be issued under this Prospectus pursuant to the Offer and the Existing Shares, however, the Existing Shares are likely to be treated by the NSX as restricted securities as defined in the NSX Listing Rules. If the Minimum Subscription is not achieved, no Ordinary Shares will be issued pursuant to this Prospectus. If NSX approval is not granted within three months of the date of this Prospectus, none of the Ordinary Shares offered pursuant to this Prospectus will be issued and all Subscription Amounts will be refunded in full without interest.

Neither the NSX nor ASIC takes responsibility for the content of this Prospectus. The fact that the NSX may admit the Company to the Official List and grant official quotation to Ordinary Shares is not to be taken in any way as an indication by the NSX as to the merits of the Company or the Ordinary Shares.

Restricted Securities

The NSX has indicated that it may classify certain Ordinary Shares already issued to Existing Shareholders as being subject to the Restricted Securities provisions of the NSX Listing Rules. Such Ordinary Shares would be required to be held in escrow for a period to be determined by the NSX.

CHESS and Issuer Sponsorship

Upon the Company being admitted to the Official List it will be admitted to participate in CHESS in accordance with the NSX Listing Rules and the ASTC Settlement Rules. On admission to CHESS the Company will operate an electronic issuer sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together will make up the Company's principal register of securities. The Company will not issue certificates. Rather, holding statements (similar to bank statements) will be dispatched to holders of securities as soon as practicable after allotment. Holding statements will be sent either by CHESS (for holders of securities who elect to hold their securities on the CHESS sub-register) or by the Company's Share Registrar (for holders of securities who elect to hold their securities on the issuer sponsored sub-register). The statements will set out the number of securities allotted to the holder and provide details of a holder's Holder identification Number (for holders who elect to hold their securities on the CHESS sub-register) or Shareholder Reference Number (in the case of a holding on the issuer sponsored sub-register). Updated holding statements will also be sent to each holder as their holding of securities changes and also as required by the Listing Rules or the Corporations Act.

Risks

As with any share investment there are risks associated with investing in the Company. The principal risks that could effect the financial and market performance and operations of the Company are detailed in Section 10 – Risk Factors to this Prospectus. The Ordinary Shares on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, Applicants should read the Prospectus in its entirety, and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

Overseas Shareholders

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or to extend such an invitation. No action has been taken to register this Prospectus or otherwise to permit a public offering of Ordinary Shares in any jurisdiction outside Australia. Residents of other jurisdictions wishing to subscribe for Ordinary Shares could consider doing so using Australian domiciled entities, including nominee companies affiliated with Australian broking firms. It is the responsibility of non-Australian resident investors to obtain all necessary approvals for the issue to them of Ordinary Shares offered pursuant to this Prospectus.

Dividend Policy

The payment of dividends cannot be guaranteed and no assurance can be given that any dividend will be paid, however, the Directors desire to pay dividends to the Company's shareholders and will do so if and when business conditions allow.

Privacy

Persons who apply for Ordinary Shares pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registrar. The Company and the Share Registrar collect, hold and use that personal information to assess applications for Ordinary Shares, to provide facilities and services to shareholders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, applications for Ordinary Shares will not be processed. In accordance with privacy laws, information collected in relation to specific shareholders can be obtained by that shareholder by contacting the Company or the Share Registrar.

Electronic Prospectus

Pursuant to Class Order 00/044, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with ASIC and the publication of notices referring to an electronic prospectus or electronic application form subject to compliance with certain conditions. If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus of 56 pages accompanied by the relevant Application Forms. If you have not, please contact the Registered Office on telephone (61+)-8-9455-7022 and you will be sent, free of charge, either a hard copy or a further electronic copy of the Prospectus or both. Alternatively, you may obtain a copy of the Prospectus from the Company's website at www.neemtree.com.au

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form it was not provided together with the electronic Prospectus (and any relevant supplementary or replacement prospectus).

There is no facility for online applications. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia. The Corporations Act prohibits any person passing on to another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered electronic version of this Prospectus.

ASIC Exposure Period

In accordance with Chapter 6D of the Corporations Act, the Prospectus is subject to an exposure period of 7 days from the date of lodgement with ASIC. The exposure period may be extended by ASIC by a further period of up to 7 days. The purpose of the exposure period is to enable the Prospectus to be examined by market participants prior to the raising of any funds. The examination may result in the identification of deficiencies in the Prospectus. If deficiencies are detected, any application that has been received may need to be dealt with in accordance with Section 724 of the Corporations Act. During the exposure period, the Prospectus may be viewed online at the Company's website or a hard copy of the Prospectus will be made available upon request to the Company. Applications received during the exposure period will not be processed until after expiration of the exposure period. No preference will be conferred on applications received during the exposure period, and all such applications will be treated as if they were simultaneously received on the Opening Date.

Enquiries

This document is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, solicitor, accountant or other professional advisor without delay. Questions relating to the Offer can be directed to the Registered Office of the Company on (61+)-8-9455-7022.

Minimum Application

Applications must be for a minimum of 2,000 Ordinary Shares costing $1,000 and thereafter in multiples of 1,000 Shares.

Minimum Subscription

The Minimum Subscription to the Issue is $500,000. No allotment of Ordinary Shares will be made until the Minimum Subscription has been reached. It is expected that allotment of Ordinary Shares will take place in February 2005.

Maximum Subscription

The Maximum Subscription to the Issue is $1,000,000.

Application of Funds Raised

On completion of this Issue and assuming it is fully subscribed the Directors intend to utilise the funds raised as follows:

	$
Expenses of the Issue	40,000
10 year lease of Australia's largest commercial Neem plantation	$400,000
Irrigation, harvesting and marketing costs	$200,000
Wages & salaries	$100,000
Sundry expenses	$40,000
Working capital	$220,000
TOTAL	**$1,000,000**

If only the Minimum Subscription of $500,000 is raised then the funds would be applied as follows:

	$
Expenses of the Issue	40,000
5 year lease of Australia's largest commercial Neem plantation	$200,000
Irrigation, harvesting and marketing costs	$100,000
Wages & salaries	$40,000
Sundry expenses	$15,000
Working capital	$105,000
TOTAL	**$500,000**

Commission

The Company has agreed to pay certain commissions to licensed dealers in securities (persons and/or firms) for procuring Applications for Ordinary Shares. The Company may pay commissions of up to 6% of application moneys paid in relation to Applications for Ordinary Shares which have been procured by those persons or firms.

Oversubscriptions

The Company may accept oversubscriptions to the Issue of up to an additional $1,000,000. In the event that oversubscriptions are accepted the additional funds raised will be used to supplement working capital.

Land

The property (91.64 ha) is situated beside the Gilbert River approximately 330 kilometres south-west of the city of Cairns and 450 kilometres north east of Mount Isa. The closest town, Georgetown, is located approximately 80 km east of the Plantation. The property is owned by a Director of the Company who has entered into a long term lease with the Company – see Section 12 - Material Agreements.

Plantation

The Plantation is well-established with approximately 7,000 eleven to thirteen-year-old mature Neem trees. To date all Produce from the Plantation has been processed into Neem powder and Neem oil and marketed for between $25-35 per kilogram or litre. The selection of the Plantation in such a remote area was a specific and deliberate exercise. This sparsely populated region of Australia is endowed with a climate which is optimal for the growth of superior Neem trees. The region experiences an ideal tropical climate with an average annual rainfall of 786 mm and average maximum temperature of 33°C. The soil is a deep sandy loam with a pH of between

6.3 and 7.5 - all suitable conditions for Neem tree growth. A Water Licence is held for irrigating 80 hectares at a maximum rate of 30 litres per second from the Gilbert River. In the drier months an unlimited supply of water is available from the subterranean aquifer which runs in the deep sand bed under the surface course of the river.

Underwriting.

The issue is not underwritten.

SECTION 8: THE BOARD OF DIRECTORS

Leonard King **CD, FPNA, FNTAA, Assoc Dip Bus (Accounting)** (Chairman)
David Richard McDonald **ASIA**
Marinko Pecotic **JP, Dip Acctg (ACC), MNIA, FTIA**
Dr Boon Tan **B.Com [Accounting] MBA DBA**

Leonard King CD, FPNA, FNTAA, Assoc Dip Bus (Accounting)

Mr King, aged 54 years, commenced private practice as an accountant in 1994 and specialises in accounting and taxation for small to medium enterprises (SME's). He is a Fellow of both the National Institute of Accountants (NIA) & the National Tax Agents of Australia (NTAA) and a Commissioner for Declarations. He was previously with the Westpac Banking Corporation for twenty-eight years where he gained considerable and wide-ranging experience in international dealings, management and commercial business. He is also a Director of Neem Products Australia Pty Ltd and several other small companies. Mr King was previously a Director of the Manager for the Neem Australia Project No.1.

David Richard McDonald ASIA

Mr McDonald, aged 62 years, is an Associate of the Securities Institute of Australia, a Director of over a dozen public companies and the principal of Equity Capital Solutions. He was previously a qualified practicing accountant (CPA), registered tax agent and registered company auditor. In the 80's Mr McDonald founded McDonald Brushware Limited which was the first 2nd Board company to be simultaneously listed on both the Melbourne & Perth exchanges. In the 90's Mr McDonald founded the Plantation Forestry Hardwood Group which successfully established large blue gum plantations at Bremer Bay, Western Australia and Kangaroo Island, South Australia. Mr McDonald was previously a Director of the Manager for the Neem Australia Project No.1.

Marinko Pecotic, JP, Dip Acctg (ACC), MNIA, FTIA

Mr Pecotic, aged 52 years, is a public accountant and Director of Integrated Accounting Group Pty Ltd. He has been in public practice since 1990 and specialises in business, financial and taxation planning. Mr Pecotic is a member of the National Institute of Accountants (NIA) and a Fellow of the Taxation Institute of Australia. He was a councillor with the City of Cockburn for six years and has a background in shipbuilding and engineering. Mr Pecotic was previously a Director of the Manager for the Neem Australia Project No.1.

Dr Boon Tan B.Com [Accounting] MBA DBA

Dr Tan, aged 37 years, is the Executive Director of Richfield Group Limited, a company listed on the Australian Stock Exchange. His background includes banking, where he specialised in Corporate Banking with the largest bank in Singapore. He was formerly the CEO of a finance company in Australia. Until quite recently he was a lecturer with Murdoch University in Western Australia but moved to Queensland to better manage his family investments.

Corporate Governance

The Directors are committed to the principles underpinning the best practice in corporate governance. A description of the Company's main corporate governance practices is set out below.

Board responsibility

The Board of Directors ultimately takes responsibility for corporate governance and operates in accordance with the Company's Constitution. The current Directors were appointed under the Constitution of the Company. One third of the Board will retire and be subject to election at the next annual general meeting of the Company. Subsequent Directors will be initially appointed initially by the Board but subject to election by Shareholders at the next annual general meeting. The Chairman of the Board is to be elected by the Board and the performance of Directors is to be reviewed on an ongoing basis.

Directors have the right, in connection with their duties and responsibilities as Directors, to seek independent professional advice at the Company's expense. The Board accepts that it has the responsibility for internal control procedures within the Company. Compliance with these procedures covering financial reporting, quality and integrity of personnel and operational control is to be regularly monitored. All Directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company. The external auditor will be requested to attend annual general meetings and be available to answer questions from shareholders.

Committees

Audit and Risk Committee
The Audit and Risk Committee provides advice and assistance to the Board in fulfilling the Board's responsibilities relating to the Company's financial statements, financial and market reporting processes, internal accounting and financial control systems, internal audit, external audit, risk management and such other matters as the Board may request from time to time. The Committee may also undertake any other special duties as requested by the Board.

Remuneration Committee
The main role of the Remuneration Committee is to review the engagement, performance and remuneration of senior executives of the Company and recommend to the Board appropriate

terms and conditions of engagement and remuneration of Directors within the aggregate limits approved by Shareholders. In assessing the performance of senior executives, the Committee gives considerable weight to the contribution of the employee towards the achievement of key performance indicators of the Company. Where necessary the Committee can obtain external advice in respect to the structure and level of remuneration packages.

Safety and Environmental Committee

The Company recognises the importance of environmental and occupational health and safety issues. The Company is committed to compliance with all relevant laws and regulations and continually assesses its operations to ensure the protection of the environment, the community and the health and safety of its employees. The Company intends to use contractors extensively. Contractors will be required to submit their safety, environmental and disaster recovery procedure as part of the due diligence to be conducted prior to letting a contract.

The main role of the Safety and Environmental Committee is to review the adequacy of compliance with all regulatory requirements in respect of the environment and occupational health and safety, monitor the management of identified risks, highlight new risks and review the actions to be taken for their control, support the culture of safe working practices and concern for the environment throughout the Company, review any serious injury or major environmental incident and review proper practices are followed by all contractors.

Ethical standards

All executives and employees are required to abide by laws and regulations, to respect confidentiality and the proper handling of information and act with the highest standards of honesty, integrity, objectivity and ethics in all dealings with each other, the Company, customers, suppliers and the community. The codes of conduct will be regularly reviewed and updated as necessary to ensure they reflect the highest standards of behaviour and professionalism.

Disclosure

The Directors are committed to keeping the market fully informed of material developments to ensure compliance with the NSX Listing Rules and the Corporations Act. At each Board meeting specific consideration is to be given as to whether any matters should be disclosed under the Company's continuous disclosure policy.

Share trading

Directors, management and other employees as nominated will normally only be permitted to trade in securities during a four week period commencing immediately after the announcement to the NSX of the half yearly and annual results and after the conclusion of the Company's annual general meeting, provided that the person is not in possession of price sensitive information and the trading is not for short term or speculative gain. Any trading outside these periods can only be conducted with the prior written approval of the Chairman.

Related party matters

Directors and senior management will be required to advise the Chairman of any related party contract or potential contract. The Chairman will inform the Board and the reporting party will be required to remove himself/herself from all discussions and decisions involving the matter.

Shareholder relations

The Directors aim to ensure that the shareholders are informed of all information necessary to assess the performance of the Company. Information on all major developments affecting the Company is to be communicated to the shareholders through the Annual Report, the Annual General Meeting and other meetings called to obtain approval for Board action as appropriate. All shareholders who are unable to attend these meetings will be encouraged to communicate issues or ask questions by writing to the Company.

SECTION 9: INDEPENDENT ACCOUNTANT'S REPORT

Hall Chadwick
Chartered Accountants & Business Advisers

21 January 2005

The Directors
Plantations Land Holdings Limited
C/- Link Accounting
Unit 16,
64 Bannister Road
CANNING VALE WA 6155

Dear Sirs

Independent Accountant's Report

1. INTRODUCTION

The Directors of Plantation Land Holdings Limited ("Plantation Land") have requested Hall Chadwick to report on the Statement of Financial Position of Plantation Land as at 30 June 2004 and the Pro Forma Statement of Financial Position as at 30 June 2004.

This report is for inclusion in a prospectus ("the Prospectus") to be dated on or about 21 January 2005 relating to the issue of up to 2,000,000 shares at an issue price of $0.50 per share ("the Offer") to raise up to $1,000,000. Plantation Land reserves the right to accept oversubscriptions of up to a further 2,000,000 shares to raise an additional $1,000,000.

The Offer has a minimum subscription of $500,000 and is not underwritten.

2. SCOPE OF OUR REPORT

Report on Historical Information

The company was incorporated on the 14 of February 2002, and has not yet commenced to trade. Shares were issued in the company, in respect to the company's potential future involvement in the management investment scheme known as the Neem Australia Project No.1. The company has not been subject to audit. We have not audited on the financial information provided to us as at 30 June 2004 and have relied upon the information provided to us by the Directors of the Company.

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PERTH WA 6846

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Facsimile: (08) 9320 2999

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Telephone: (08) 9791 6466

Busselton
Suite 2, Geographe Business Centre,
58 Bussell Highway
BUSSELTON WA 6280

Telephone: (08) 9751 3895

Kalgoorlie
Suite 1, Kalgoorlie Business Centre
47 Brookman Street
KALGOORLIE WA 6430

Telephone: (08) 9021 7066

Email:
hcperinfo@hcperth.com.au

Other firms in:
Sydney
Melbourne
Adelaide

Hall Chadwick Perth Services

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- Audit
- Business Valuation and Expert's Reports
- Business Improvement Planning
- Superannuation Fund Planning and Administration
- Management Accounting
- Corporate Finance and Restructuring
- Property Industry Advice
- Information Technology Advice
- Business Recovery and Insolvency

National Association
Hall Chadwick

International Association
AGN International

Associations of Independent Firms

Hall Chadwick
Chartered Accountants & Business Advisers

Report on Pro Forma Information

We have conducted a review of the Pro Forma Statement of Financial Position of the Company as at 30 June 2004, as set out in Appendix A.

The purpose of the Pro Forma Statement of Financial Position is to show the financial effects on the Company as if the transactions outlined in Appendix B had taken place as at 30 June 2004.

We have reviewed the financial information in order to state whether anything has come to our attention that would indicate that the Pro Forma Statement of Financial Position contained therein is not presented fairly on the basis of the assumptions included in Note 5 of Appendix B and in accordance with the measurement requirements, but not the disclosure requirements, of applicable Accounting Standards and other mandatory professional reporting requirements.

Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements and was limited primarily to enquiries and discussions with the Directors and personnel of Plantation Land, reading of Directors minutes and relevant contracts, analytical procedures applied to the financial data, performance of certain limited verification procedures and comparison for consistency in application of accounting standards and policies. The significant accounting policies of the Company are detailed in Appendix B.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. As we have not performed an audit on the Pro Forma financial information of the Company as at 30 June 2004 as set out in Appendices A and B to this report, we do not express an audit opinion.

3. STATEMENTS

Pro Forma Financial Information

Based on the scope of our review, which is not an audit, nothing has come to our attention which would require any modification to the Pro Forma Statement of Financial Position, as set out in Appendix A, in order for it to present fairly the financial position of the Company as at 30 June 2004, on the basis of the assumptions stated in Note 5 of Appendix B and in accordance with the measurement requirements, but not the disclosure requirements, of applicable Accounting Standards and other mandatory professional reporting requirements, had the transactions taken place on 30 June 2004.

4. SUBSEQUENT EVENTS

To the best of our knowledge and belief, and based on the work we have performed as described in the scope paragraph above, there have been no material transactions or events subsequent to 30 June 2004, other than those disclosed in this report, that would require a comment on, or adjustment to, the information referred to in our report or that would cause the information included in this report to be misleading.

5. DISCLOSURES

Hall Chadwick does not have any pecuniary interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased opinion in this matter. Hall Chadwick will receive a fee for the preparation of this report.

The Directors have agreed to indemnify and hold harmless Hall Chadwick and its employees from any claims arising out of misstatement or omission in any material or information supplied by the Directors.

Consent for the inclusion of the Independent Accountants Report in this Prospectus in the form and context in which it appears has been given. At the date of this report this consent has not been withdrawn.

Yours faithfully

HALL CHADWICK
Chartered Accountants

Perth, 21 January 2005

Appendix A

STATEMENTS OF FINANCIAL POSITION

Set out below is the Statement of Financial Position of Plantation Land as at 30 June 2004, and the Pro Forma Statement of Financial Position of the Company as at 30 June 2004 on the basis of the assumptions contained in Note 5 of Appendix B. The significant accounting policies upon which the Statement of Financial Position and the Pro Forma Statement of Financial Position of the Company are based are contained in Appendix B.

	NOTES	UNAUDITED PLANTATION LAND 30 –JUNE -04 $	REVIEWED PRO FORMA 30-JUNE 2004 $
CURRENT ASSETS			
Cash Assets	2	-	920,000
Receivables		-	-
TOTAL CURRENT ASSETS		-	920,000
NON-CURRENT ASSETS			
Neem Planatation		-	-
TOTAL NON-CURRENT ASSETS		-	-
TOTAL ASSETS		-	920,000
CURRENT LIABILITIES			
Payables		-	-
Interest Bearing Liabilities		-	-
TOTAL CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		-	-
NET ASSETS		-	920,000
EQUITY			
Contributed Equity	3	904,550	1,824,550
Accumulated Losses		(904,550)	(904,550)
TOTAL EQUITY		-	920,000

The Statement of Financial Position should be read in conjunction with the accompanying notes detailed in Appendix B.

APPENDIX B

NOTES TO STATEMENTS OF FINANCIAL POSITION

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the Company are detailed as follows:

(a) Basis of Accounting

The Statements of Financial Position as at 30 June 2004 have been drawn up in accordance with the measurement requirements, but not the disclosure requirements, of applicable Accounting Standards and other mandatory professional requirements.

(b) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectable debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

Receivables from related parties are recognised and carried at the nominal amount due. Interest is only taken up as income when received.

(c) Recoverable amount

Non-current assets are not carried at an amount above their recoverable amount, and where carrying values exceed this recoverable amount, assets are written down. In determining recoverable amount, the expected cash flows have not been discounted to their present value.

(d) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories includes direct material, direct labour and an appropriate portion of variable and fixed overheads. Costs are assigned on the basis of weighted average costs, overheads are applied on the basis of normal operating capacity.

(e) Property, plant & equipment

Cost and Valuation

Property, plant and equipment are brought to account at cost, less, where applicable, any accumulated depreciation or amortisation.

Depreciation

Depreciation is provided on a straight line or a reducing balance basis on property, plant & equipment.

(f) Accounts payable and other payables

Liabilities for accounts payable and other amounts are carried at costs which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity.

(g) Contributed equity

The contributed equity is recognised at the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds.

(h) Revenue Recognition

Sale of goods and Disposal of Assets

Revenue from the sale of goods is recognised upon the delivery of goods to the customers.

Rendering of a service

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

(i) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

(j) Property

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the company to have an independent valuation every three years, with annual appraisals being made by the directors.

(k) Impact of the adoption of International Accounting Standards (IAS)

There is no current impact of the adoption of IAS on the financial report of the Company.

	Reviewed Plantation Land 30 June 04 $	Reviewed Pro forma 30 June 04 $
2. Cash Assets		
Cash on Hand	-	920,000
	-	920,000

	Reviewed Pro Forma Number	Reviewed Pro forma 30 June 04 $
3. Issued Capital		
Ordinary Capital		
Issued and Paid Up Capital	3,925,800	1,824,550
Reconciliation:		
Opening Balance	1,925,800	904,550
▪ Shares issued by the company	2,000,000	1,000,000
▪ Costs associated with the Offer	-	(80,000)
Closing Balance	3,925,800	1,824,550

Options on Issue

Leonard Kind (Chairman)
500,000 Options to acquire Ordinary Shares @ $0.70 per share prior to 31 December 2005;
500,000 Options to acquire Ordinary Shares @ $0.80 per share prior to 31 December 2006;
500,000 Options to acquire Ordinary Shares @ $0.90 per share prior to 31 December 2007;

David Richard McDonald (Managing Director)
500,000 Options to acquire Ordinary Shares @ $0.70 per share prior to 31 December 2005;
500,000 Options to acquire Ordinary Shares @ $0.80 per share prior to 31 December 2006;
500,000 Options to acquire Ordinary Shares @ $0.90 per share prior to 31 December 2007;

Marinko Pecotic
500,000 Options to acquire Ordinary Shares @ $0.70 per share prior to 31 December 2005;
500,000 Options to acquire Ordinary Shares @ $0.80 per share prior to 31 December 2006;
500,000 Options to acquire Ordinary Shares @ $0.90 per share prior to 31 December 2007;

Dr Boon Tan
500,000 Options to acquire Ordinary Shares @ $0.70 per share prior to 31 December 2005;
500,000 Options to acquire Ordinary Shares @ $0.80 per share prior to 31 December 2006;
500,000 Options to acquire Ordinary Shares @ $0.90 per share prior to 31 December 2007;

Accordingly, there are 6,000,000 options on issue.

4. RELATED PARTY DISCLOSURES

We have not examined related party transactions as part of this independent accountants report as these are disclosed elsewhere in this prospectus.

5. ASSUMPTIONS ON WHICH THE PRO FORMA STATEMENT OF FINANCIAL POSITION IS BASED

On completion of this Issue and assuming it is fully subscribed the Directors intend to utilise the funds raised as follows:

	$
Expenses of the issue	80,000
Lease of Neem Plantation	400,000
Irrigation, harvesting and marketing costs	200,000
Wages & Salaries	100,000
Working capital	220,000
TOTAL	1,000,000

SECTION 10: RISK FACTORS

Important Information Concerning Risk

Investment in Ordinary Shares to be issued pursuant to this Prospectus should be regarded as speculative. The Project is a long term forestry venture and is subject to the risks typically associated with primary production. In addition, the Project is subject to the commercial risks of a long term undertaking. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls but some are outside the control of the Company. Applicants should examine the full contents of this Prospectus and consult their professional advisers or the Company direct on (61+)-8-9455-7022 before deciding to invest in the Project. The key risks of the Project are outlined below:

Economic Risks

The Company's operating and financial performance is influenced by a variety of general economic and business factors quite beyond the control of the Company such as changes in interest rates, changes in the Neem industry, inflation, exchange rates and taxation, etc. Any or all of these factors may impact negatively or positively on the revenue and profitability of the Company.

Regulatory Risks

It is possible that the Australian Government (Federal and/or State) may introduce changes in laws and/or regulations which adversely affect the business of the Company or its produce. In particular, changes to laws and/or regulations that impinge on the neem industry could adversely affect the value of the Company.

Limited History

It should be noted that the Company was incorporated on the 14th of February 2002 and has not yet commenced to trade.

Limited Liquidity

The Company is not yet listed on the Stock Exchange of Newcastle Limited ("NSX"). Although the Company intends to list all Ordinary Shares to be issued pursuant to this Prospectus and eventually list all existing Ordinary Shares and any Ordinary Shares issued from the exercise of Options to acquire Ordinary Shares held by the Directors there can be no guarantee that the Company will be successful in this endeavour. See Section 7 – Details of the Offer.

Management Changes

The skills, knowledge and expertise of the Chairman, Directors, employees and contractors will be vital and central to success. Management of the Company is dependent on the current Board of Directors. It may be that key people wish to retire or resign and it may be difficult to replace them.

Capital Requirements

The Company may need to secure additional funds and there can be no assurances that the Company will be able to raise either additional equity capital and/or loan funds on favourable terms in which case capacity for growth may be curtailed.

Force Majeure

There are some risks that cannot be prevented by the Company which could impact upon the business of the Company. These risks include earthquakes, storm damage, sabotage and war, all of which could give rise to adverse economic conditions that could dampen demand for Neem or cause disruption of supply.

Market risks

The Company is dependent upon the eventual sale of Produce. Until registration is obtained for Neem products in Australia the Company will have to rely on exporting the Produce.

Agricultural risks

Fire

The threat of fire is always of concern in forestry plantations. The Company will keep fire-breaks well slashed and weed growth to a minimum thus greatly reducing any threat of fire to the trees and irrigation lines.

Flood

Neem trees are susceptible to waterlogging, however, the Georgetown property is in an elevated position relative to the Gilbert River. The Company therefore does not consider the Land to be subject to high flood risks.

Drought

Neem trees are drought resistant and can go for prolonged periods without rainfall, due to their long tap-root which enables the tree to access groundwater. The annual rainfall figures for Georgetown should be sufficient for good Neem tree growth. Nevertheless, the trees will be irrigated with water supplied from the Gilbert River to maximize yield and tree health.

Storms & Cyclones

High wind speeds and storms are always a threat to timber plantations, and cyclones occur regularly in North Queensland. The Plantation is situated approximately 260 Kms inland and is therefore at low risk from cyclonic winds. The Company therefore does not consider storms or cyclones pose a significant risk.

Pests and diseases

Wallabies and feral pigs could seriously damage or destroy Neem seedlings. The Company will protect growing trees from feral animals by appropriate fencing and regular inspections. The existing mature Neem trees on the Plantation have never suffered disease or insect damage. Nevertheless, the Company intends to constantly monitor new trees for any abnormalities to eliminate any outbreak of disease.

Weeds

Weeds deprive growing trees of essential nutrients and sunlight. The Company will utilize heavy-duty weed matting to surround seedlings in their early stages of growth and will slash any weeds growing between the trees.

SECTION 11: ADDITIONAL INFORMATION

Company History:

The Company was incorporated on the 14th day of February 2002 in response to the demise of a managed investment scheme known as the Neem Australia Project No 1 ("the Project"). The Directors of the Company, with the sole exception of Dr Boon Tan, were Directors of the Manager of the Project.

Mission:

To purchase and reinvigorate Australia's largest commercial Neem farm located on the banks of the Gilbert River near Georgetown in Northern Queensland for the financial benefit of all shareholders.

Natural environment:

The climate in the northeastern region of Queensland is extremely well suited to the growth of Neem trees and other tropical climate tree varieties, with an average rainfall over 1,000mm, an average temperature of 24 degrees Celsius and a deep sandy loam soil type with a pH of between 6.3 and 7.5. Sufficient water is available.

Proposed activities:

The purpose of this capital raising is to provide funds to:-

1. Formalise a 10 year lease of Australia's largest commercial Neem plantation with an option to extend for a further 10 years;
2. Harvest and market all Neem produce annually from 2005;
3. Cover the costs of preparing, printing and marketing this Prospectus; and,
4. Provide adequate working capital until the Company becomes cash flow positive.

The Company intends to process, formulate, develop and register 100% Australian-made Neem-based products and endeavour to register these products in Australia and/or sell them overseas.

Diligent management

The Directors bring with them valuable experience and knowledge of the cultivation of Neem trees and will apply that experience and knowledge to successfully manage the Company. Investors will have the benefit of the professional skills and commitment of a management team with many years combined experience in business management of private, public and listed companies. The Directors are dedicated to the protection and enhancement of the interests of investors. The Company intends to be a responsible and transparent organisation.

Regular communication:

In addition to statutory requirements such as annual audited financial statements the Company intends to regularly communicate with shareholders on progress and direction by way of quarterly newsletters.

Directors

The Constitution contains provisions relating to the appointment and removal of Directors by Shareholders. Directors continue in office until they retire or are otherwise removed.

Shareholding Qualifications

The Directors are not required to hold any shares in the Company under the Constitution of the Company.

Directors' Interests and Shareholdings

Except as disclosed in this Prospectus or as set out below no Director and no firm in which a Director is a partner as at the date of this Prospectus has any other interest in the promotion of the Company or any property proposed to be acquired by the Company save for Mr McDonald who has entered into a long term lease and option with the Company. There are no disclosable interests for any commissions or rewards to be received by a Director as a result of the promotion of the company or the Ordinary Shares to be issued pursuant to this Prospectus.

As at the date of this Prospectus the Directors have the following relevant interests, either directly or indirectly, in the issued capital of the Company.

Leonard King	175,000 fully-paid Ordinary Shares
David Richard McDonald	175,000 fully-paid Ordinary Shares
Marinko Pecotic	175,000 fully-paid Ordinary Shares
Dr Boon Tan	100,000 fully-paid Ordinary Shares

Total number of Ordinary Shares on issue is 1,925,800.

Directors' Options

Options to acquire Ordinary Shares at various times and at various (premium) exercise prices have been issued to each Director as follows:-

500,000 Options to acquire Ordinary Shares @ $0.70 cents per share prior to 31 December 2005;
500,000 Options to acquire Ordinary Shares @ $0.80 cents per share prior to 31 December 2006;
500,000 Options to acquire Ordinary Shares @ $0.90 cents per share prior to 31 December 2007;

Remuneration of Directors

No Directors' fees have been paid to the Directors. The Constitution of the Company provides for the non executive Directors to collectively be paid remuneration for their services as a fixed sum not exceeding the maximum from time to time determined by the Company in general meeting.

A Director may be paid fees or other amounts as the Directors determine when a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred on behalf of the Company.

Rights attaching to shares

The rights attaching to Ordinary Shares in the Company arise from a combination of the Company's Constitution, statute and general law. There is only one class of share currently on issue or proposed to be issued by the Company and that class is Ordinary Shares.

Significant rights of Shareholders

A summary of the more significant rights of Shareholders is set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of the Company's Shareholders. The summary is based upon the Company's Constitution current as at the date of this Prospectus.

Ordinary Shares

There is one class of share issued or proposed to be issued by the Company – Ordinary Shares. The Company has already issued Ordinary Shares and Ordinary Shares will be issued under this Prospectus. The Company reserves the right to issue further Ordinary Shares, at such price as the directors see fit, if the Directors consider it in the best interests of the Company to do so. Ordinary Shares are entitled to dividends which are payable out of the net profits of the Company.

Reports and notices

Ordinary shareholders are entitled to receive all notices, reports, accounts and other documents required to be furnished to shareholders under the Company's constitution and the Corporations Act 2001.

General meetings

Ordinary shareholders are entitled to be present in person, or by proxy, attorney or representative to speak and to vote at general meetings of the Company.

Voting

At a general meeting of the Company every Ordinary Shareholder present in person, or by proxy, attorney or representative has one vote on a show of hands and one vote for every Ordinary Share held by the shareholder on a poll. A person who holds an Ordinary Share which is not fully paid shall be entitled to a fraction of the vote equal to the proportion that the amount paid (not credited) bears to the total amounts paid and payable for the share (excluding amounts credited).

Dividends

The Directors may declare and authorise the distribution from the profits of the Company of dividends to be distributed to Shareholders according to their rights and interests. The Directors may determine the property to constitute the dividend and fix the time for distribution. Except to the extent that the terms of issue of shares provide otherwise each dividend must be distributed according to the amount paid up on the share in a manner calculated in accordance with the Constitution.

Transfer of Shares

All shares in the Company may be transferred. The Company does not provide a market for any of its shares, nor does it offer to repurchase or redeem its shares. The Shares offered pursuant to this Prospectus are transferable only in accordance with the Constitution of the Company.

Miscellaneous

Under the Constitution the Directors have control over the creation and issue of shares provided that any new issues are without prejudice to any special rights previously conferred on the Shareholders of any existing shares or class of shares.

Rights Attaching to Options

6,000,000 Options to acquire Ordinary Shares at a premium to the Issue price have been issued to Directors as at the date of this Prospectus and these may be exercised by their respective holders at any time prior to the nominated exercise date(s).

Litigation

Legal proceedings may arise from time to time in the course of the Company's business. As at the date of this Prospectus the Company is not involved in any legal proceedings nor so far as the Directors are aware are any legal proceedings pending or threatened against the Company.

Issue Expenses

Estimated total expenses of the Issue are $40,000 if either the Minimum or Maximum Subscription is reached.

Approval of the Board

This Prospectus has been approved by a duly passed resolution of the Board – see Section 14 - Directors' Statement.

Consents

Alan Eden of Gadens Lawyers has given and has not before the date of this Prospectus withdrawn his firm's consent to be named as the Solicitor to the Company in this Prospectus. Notwithstanding that he or his firm may be referred to elsewhere in this Prospectus neither he nor his firm have been involved in the preparation of any part of this Prospectus nor have they authorised or caused the issue of any other part of this Prospectus.

Professor E. David Morgan of Keele University in Staffordshire, England has given and has not before the date of this Prospectus withdrawn his consent to be named as the Expert in the Independent Expert's Report. Notwithstanding that he may be referred to elsewhere in this Prospectus Professor Morgan has not been involved in the preparation of any part of this Prospectus nor has he authorised or caused the issue of any other part of this Prospectus. Professor Morgan agreed to provide his extensive Report to the Company for a consideration of two (2) Business Class return airfares from England to Australia.

Errol Wiles trading as NQ Timber Co-Operative in Babinda, Queensland has given and has not before the date of this Prospectus withdrawn his consent to be named as the Independent Forester in the Independent Forester's Report to the Company in this Prospectus. Notwithstanding that he may be referred to elsewhere in this Prospectus he has not been involved in the preparation of any part of this Prospectus nor has he authorised or caused the issue of any other part of this Prospectus.

Michael Hillgrove and Hall Chadwick have given and have not before the date of this Prospectus withdrawn their consent to be named as Registered Company Auditor to the Company in this Prospectus. Michael Hillgrove and Hall Chadwick were also responsible for preparing the Investigating Accountant's Report in Section 9 of this Prospectus and they have also given and not before the date of this Prospectus withdrawn their consent to the inclusion of the Investigating Accountant's Report but neither Michael Hillgrove nor Hall Chadwick have been involved in the preparation of any other part of this Prospectus nor have they authorised or caused the issue of any other part of this Prospectus notwithstanding that they may be referred to elsewhere in this Prospectus.

Equity Capital Solutions ("ECS") has given and has not before the date of this Prospectus withdrawn its consent to be named as Prospectus Consultant in this Prospectus. A Director of the Company, David Richard McDonald, is the principal of ECS and ECS has been intimately involved in the preparation of this Prospectus.

Winding Up

If the Company is wound up, and there remains a surplus of assets after all liabilities have been accounted for, any proceeds from the sale of those surplus assets will be distributed to Ordinary Shareholders in accordance with their ownership of the Company such that the amount distributed to an Ordinary Shareholder in respect of each share is proportional to the amount paid upon that share compared with the total paid up capital of the Company.

SECTION 12: AGREEMENT TO LEASE PLANTATION

QUEENSLAND LAND REGISTRY **LEASE/SUB LEASE** **Form 7** Version 5
Land Title Act 1994, Land Act 1994 and Water Act 2000 Page 1 of 74

Dealing Number *Duty Imprint*

Privacy Statement
The information from this form is collected under the authority of the Land Title Act 1994 the Land Act 1994 and the Water Act 2000 and is used for the purpose of maintaining the publicly searchable registers in the land registry and the water register.

1. Lessor
David Richard McDonald

Lodger (Name, address & phone number) **Lodger Code**

Tel: **Ref**:

2.	**Lot on Plan Description**	**County**	**Parish**	**Title Reference**
	Lot 5 CP ET14	Etheridge	Bumba	20146239

3. Lessee Given names — Surname/Company name and number (include tenancy if more than one)
Plantation Land Holdings Limited

4. Interest being leased
Fee simple

5. Description of premises being leased
that part of the land hatched on the attached plan marked “A”

6. Term of lease
Commencement date: / /2005
*Expiry date: / /2015
**Options: see Clause 17 and Item 10 of the Reference Schedule in Clause 19 Annexure A
*not required for leases in a retirement village
**insert *nil* if no option

7. Rental/Consideration
A$40,000 per annum

8. Grant/Execution
The Lessor leases the premises described in item 5 to the Lessee for the term stated in item 6 subject to the covenants and conditions contained in the attached schedule in Annexure A;
* delete inapplicable words
Witnessing officer must be aware of his/her obligations under section 162 of the Land Title Act 1994

Witnessing Officer **Execution Date** **Lessor's Signature**

signature / /

full name

qualification

(Witnessing officer must be in accordance with Schedule 1 of Land Title Act 1994 eg Legal Practitioner, JP, C Dec)

9. Acceptance

The lessee accepts the lease and acknowledges the amount payable or other considerations for the lease.

Witnessing Officer **Execution Date** **Lessee's Signature**

signature / /

full name

qualification

(Witnessing officer must be in accordance with Schedule 1 of Land Title Act 1994 eg Legal Practitioner, JP, C Dec)

This is Annexure "A" to the lease between David Richard McDonald (as Landlord) and Plantation Land Holdings Limited (as Tenant) of Land comprising that part of the land hatched on the attached plan marked A in Lot 5 on Crown Plan ET14.

Contents

Term and holding over

Term

The Landlord leases the Land to the Tenant for the Term.

Monthly Tenancy

If the Tenant continues to occupy the Land after the Term with the Landlord's consent then:

the Tenant does so as a monthly Tenant on the terms and conditions of this lease so far as they apply to a monthly tenancy; and

either party may terminate the monthly tenancy by giving to the other 1 month's notice expiring on any day.

Base rent

2.1 Subject to the terms of this lease, the Tenant must:

without setoff or deduction pay the Base Rent by equal monthly instalments in advance on the first day of each month commencing on the base rent commencement date specified in Item 5B of the Reference Schedule;

if necessary, pay the first and last instalment apportioned on a daily basis; and

pay all instalments as the Landlord directs.

The Tenant may at any time make an offer in writing to the Landlord to pay the Base Rent or any part of it, including any Rent which at the time of that offer is due and unpaid, or Rent not yet due, in a lump sum representing 90% of the total amount owing for those amounts ("the Offer Amount"), in full and final satisfaction of the total amount owing for those amounts, in which case the Landlord may, in its absolute discretion, either:

refuse that offer (in which case the Landlord has the right to take any action to which it is entitled in connection with any Rent which at the time of that offer is due and unpaid); or

accept the Offer Amount in full and final satisfaction of the total amount owing for those amounts (in which case the Landlord waives the right to take any action to which it is entitled in connection with any Rent which at the time of that offer is due and unpaid).

Base rent reviews

Fixed review

This subclause applies if any fixed percentage review dates are specified in Item 6 of the Reference Schedule.

As and from each fixed percentage review date, Base Rent increases by the percentage, and in the amount, specified in Item 6 of the Reference Schedule next to the corresponding date.

Base Rent reviewed under this subclause is subject to further review at the next fixed percentage review date (if any) or as otherwise provided in this lease.

Operating expenses

Tenant's Proportion of Operating Expenses

The Tenant must pay the Tenant's Proportion of the Landlord's estimate of the Operating Expenses by equal monthly instalments in advance at the same time and in the same manner as the Tenant is required to pay Base Rent.

At the end of the Financial Year following a review of Operating Expenses, there must be any necessary adjustment between the estimated and actual Operating Expenses payable by the Tenant and one party must within 1 month of the review of Operating Expenses being completed pay to the other the amount necessary to ensure the Tenant has paid the correct amount of the Tenant's Proportion of Operating Expenses. The Landlord must provide such evidence as the Tenant may reasonably require in respect of Operating Expenses.

Other charges

The Tenant must pay to the relevant authorities all charges for gas, electricity, water and telephone where they are separately metered to the Land.

The Tenant must also pay a fair proportion of any authority's service or access charges which may be levied from time to time. The Tenant's proportion of those charges is to be determined by the Landlord in its absolute discretion.

The Tenant must pay to the Landlord all expenses due solely to the Tenant's use of the Land imposed under any legislation or by any authority.

Change in levying of Operating Expenses

The Landlord may by notice require the Tenant to pay the Base Rent inclusive of the Tenant's Proportion of Operating Expenses or any part of the Operating Expenses (**Notice**). If the Landlord serves a Notice:

The change in payment of Base Rent or the Operating Expenses or both takes effect from the next Quarter from the date of the Notice or any future Quarter referred to in the Notice.

The Landlord must make a corresponding increase or decrease in Base Rent for all purposes under this lease so that the Tenant is not required to pay an amount to the Landlord on account of Base Rent and Operating Expenses greater than that which the Tenant would otherwise have paid if the change referred to in this subclause had not occurred. The Notice must specify the reduced or increased amount of Base Rent payable by the Tenant.

The reduced or increased Base Rent applies from the date specified in the Notice and is conclusive evidence of the Base Rent payable under this lease from that date.

GST

Liability for GST

The Rent and other payments shown in this lease do not include GST. If the Landlord is or becomes liable to pay GST in respect of a supply for which payment is required to be made by the Tenant under this lease, the amount of that payment increases so that after payment of the GST by the Landlord the net amount retained by the Landlord is the same as if the Landlord was not liable to pay any GST in respect of that supply.

Recoupment payments

Despite subclause 5.1, if any of the Operating Expenses or other recoupment payments under this lease relate to goods or services supplied by third parties, sub-clause 5.1 does not operate to increase the amount of those payments and the Tenant must pay the cost of those supplies to the Landlord including, where applicable, GST.

Taxes and Operating Expenses

The parties contemplate that rates, taxes and charges (Taxes) which comprise part of the Operating Expenses are GST free and the GST free nature does not change because of the recoupment of the Taxes by the Landlord from the Tenant. If the recoupment results in the Landlord being obliged to pay GST in respect of the recoupment, the Tenant must on demand pay to the Landlord an amount so that after payment of the GST by the Landlord the net amount retained by the Landlord is the same and as between the Landlord and the Tenant. The cost of the Taxes is deemed to increase by the amount of the GST payable by the Landlord.

Tax invoice

The supplier of any taxable supply must give to the recipient a tax invoice.

Essential term

This clause is an essential term of this lease.

Intentionally Deleted

Use of the Land

Permitted Use

The Tenant must use the Land only for the Permitted Use as stated in Item 8 of the Reference Schedule. If the Tenant wishes to use the Land for a use other than the Permitted Use, the Tenant must first obtain the Landlord's written consent to that use. The Tenant acknowledges that the Landlord may grant or withhold its consent in its absolute discretion.

Parties to procure consents

The parties shall do all things and sign all documents and procure all consents, approvals and notices as may be required pursuant to any relevant Acts or by any local authority to give effect to this term and to enable the Tenant to carry out the Permitted Use on the Land.

No warranty as to use

The Landlord does not warrant that the Land:

is suitable for the purpose for which this lease is entered into; or

can be used for the Permitted Use.

Tenant's acknowledgment

The Tenant acknowledges that it has made its own inquiries about the suitability of the Land for the purpose for which this lease is entered into and that it can be used for the Permitted Use, and that it is satisfied with those inquiries.

Tenant's Covenants

The Tenant hereby covenants and agrees with the Landlord as follows:

Noxious Plants

The Tenant must keep down and destroy all plants growing or which during the Term may grow upon the Land and which have been or may after the date of this lease be declared to be noxious plants by the relevant local government authority, the Governor in Council or any other relevant body.

Repair

The Tenant must keep and yield up the Land in good and tenantable repair, (fair wear and tear and damage by fire storm flood or tempest erosion war damage or otherwise by an Act of God excepted). The Tenant must give written notice to the Landlord as early as practicable of any damage or defect or dilapidation to or in the Land occasioned by any of the events set out in this paragraph that have become manifest to the Tenant.

To farm correctly

The Tenant must carry on Permitted Use in a proper and reasonable manner on the Land and must use, cultivate and manage the Land and any crop growing on the Land in a proper manner in accordance with efficient farming methods ordinarily used.

Comply with Statutes

The Tenant must duly and punctually comply with and observe all statutes now or which may come into force after the date of this lease and all ordinances, regulations and by-laws thereunder and regulations of all other relevant authorities relating to its occupancy of the Land and carrying on the Permitted Use and must comply with all orders lawfully given or made by any public authority or authority relating to the Land within the time required by law.

Entry

The Tenant must permit the Landlord or its agents and servants to enter upon the Land at any reasonable time for the purposes of viewing the condition of the Land or viewing any crop growing on the Land and the taking of any samples of such crops or for any other reasonable purpose.

Works

The Tenant must not perform any earthworks on the Land other than ordinary cultivation practice for carrying on the Permitted Use, nor interfere in any way with the systems of drains other than such works as may be reasonably required by the Landlord.

Building

The Tenant must not construct any building or other structure on the Land without first obtaining the written consent of the Landlord.

Official Requirements

The Tenant must, at its expense, comply with all Official Requirement concerning or relating to the Land or the Tenant's Property and the Tenant's use or occupation of the Land. The Tenant must obtain consent to use the Land for the Permitted Use from all relevant authorities.

Irrigation and Water Consumption Charges

The Tenant must bear all costs and charges associated with use of any irrigation or watering facilities used in relation to the Land.

Expenses

The Tenant must at its own expense provide all equipment and materials required for the proper and efficient working and cultivation of the Land and bear all costs and expenses in carrying on the Permitted Use during the Term.

Proper Farming Techniques

The Tenant must in a proper and husband like manner work and cultivate the Land for carrying on the Permitted Use and utilise the best method of husbandry.

Taxes

The Tenant must pay all rates, taxes, assessments, charges and levies as may be levied and imposed in respect of the Land by any authority having jurisdiction during the Term.

Not to contaminate

The Tenant must not cause or permit any contamination to the Land.

Insurance

The Tenant must not do anything that may invalidate the Landlord’s insurance or increase the Landlord’s premiums.

Landlord’s covenants

Use and enjoyment

The Landlord must at all times, where the Tenant is not otherwise in breach of the terms of this lease, allow the Tenant full and uninterrupted right of use and enjoyment of the Land.

Intentionally Deleted

Assignment

Landlord’s consent

The Tenant must obtain the Landlord's consent before the Tenant assigns or deals with the Tenant's interest in the Land. The Tenant must not sublet the Land.

Conditions of consent

The Landlord may consider the Tenant's request for an assignment if:

The Tenant gives to the Landlord a written request for assignment together with any information the Landlord may require to assess the financial strength and business experience of the proposed assignee;

The Tenant gives three (3) months written notice to the Landlord of its intention to assign;

The Tenant proves to the Landlord, and the Landlord is completely satisfied in his absolute discretion that the proposed assignee (and where the proposed assignee is a corporation, the corporation and any director of the corporation) is respectable, responsible and solvent person who has adequate farming experience and is capable of adequately carrying on the Permitted Use in the Land and otherwise performing all of the terms and conditions of this lease.

The Tenant pays all fees and expenses incurred by the Landlord in connection with the investigation of the proposed assignee (and any guarantors) and otherwise relating to the proposed assignment including any costs relating to obtaining mortgagee's consent.

The Tenant pays to the Landlord all money due by the Tenant up to the date of the assignment.

The Tenant is not in default in complying with the terms and conditions of this Lease.

The proposed assignee covenants with the Landlord to observe and perform all the terms and conditions of this lease.

where the proposed assignee is a corporation, personal guarantees in terms satisfactory to the Landlord are provided in the terms of this lease in respect of the Tenant's obligations under this lease after any such assignment.

Change in shareholding

If the Tenant is a company, the Tenant must obtain the Landlord's consent to any change in its shareholding greater than 50% of the shares held at the date the Tenant first took occupation of the Land unless it is a listed public company or a subsidiary of a listed public company. The parties agree that a failure to obtain consent prior to a change in its shareholding, is deemed to be an assignment of this lease without consent.

Insurances and indemnities

Tenant's Insurance

The Tenant must maintain insurance for:

public liability in an amount not less than the amount specified in Item 9 of the Reference Schedule or any other higher amount as the Landlord may require from time to time; and

the Tenant’s Property for its full value.

Tenant's policies

All insurance policies which the Tenant must maintain under this clause must:

note the Landlord as the registered owner of the Land and having an insurable interest in the Land;

be on terms reasonably acceptable to the Landlord; and

be with a reputable insurer approved by the Landlord.

Proof of insurance policies

The Tenant must give the Landlord evidence of the Tenant's insurance if the Landlord asks for it and in any event not less than 7 days after the renewal or replacement of any policy.

Tenant's release and indemnity

The Tenant occupies and uses the Land at its own risk. The Tenant also carries out any permitted improvements on the Land at its own risk.

The Tenant releases the Landlord from and indemnifies the Landlord against all Claims for damages, loss, injury or death if it is caused by the Tenant's or the Tenant's Employees' or Contractors' negligence or default and it:

arises from carrying on the Permitted Use;

occurs on the Land; or

arises from the use of the Services on the Land; or

arises from the overflow or leakage of water from the Land.

Services

Provision of Services

The Tenant must supply at its own cost any Services to the Land, and must act reasonably to ensure any Services operate efficiently at all times.

Landlord's liability

The Tenant:

may not terminate this Lease;

may not make any Claim against the Landlord; and

is not entitled to an abatement of Rent or of any other amount payable under this lease,

if Services are not provided or do not operate efficiently.

Mortgagee's consent

Conditional on consent

This lease is conditional on the written consent of the mortgagee of any mortgage over the Land.

Right to terminate

If the mortgagee’s consent is not obtained for any reason within three (3) months after the Commencement Date, other than because of the Landlord’s default, the Landlord may terminate this lease without compensation to the Tenant.

Conditions of consent

The Landlord and the Tenant must sign any deed or document issued by the mortgagee containing the reasonable terms and conditions of mortgagee's consent.

Default

Default

The Tenant defaults under this lease if:

the Rent or any money payable by the Tenant is unpaid for 14 days;

the Tenant breaches any other term of this lease and fails to rectify that breach within 14 days after service of a notice specifying the breach;

the Tenant assigns its property for the benefit of creditors;

the Tenant enters into any form of liquidation, is wound up or dissolved, enters into a scheme of arrangement for creditors, is placed under official management or a receiver, manager or administrator of any of its assets is appointed; or

the Tenant abandons the Land without the Landlord's consent.

Consequences of default

If the Tenant defaults under this lease and does not remedy the default when the Landlord requires the Tenant to do so, the Landlord may do any one or more of the following:

re-enter and take possession of the Land;

by notice to the Tenant, terminate this lease;

by notice to the Tenant, convert the unexpired portion of the Term into a tenancy from month to month;

exercise any of the Landlord's other legal rights; and

recover from the Tenant any loss suffered by the Landlord because of the Tenant's default.

If the Tenant repudiates this lease or breaches an essential term of this lease the Landlord may recover all money payable by the Tenant under this lease up to the end of the Term but in doing so, the Landlord must minimise its loss. The essential terms are:

to pay Rent;

to pay the Tenant's Proportion of Operating Expenses;

to pay GST;

to use the Land only for the Permitted Use;

to comply with Official Requirements;

not to assign or deal with this lease without consent; and

The Landlord's entitlement to damages is not limited or affected if:

the Tenant abandons the Land;

the Landlord elects to re-enter the Land or terminate this lease;

the Landlord accepts the Tenant's repudiation; or

the parties' conduct constitutes or may constitute a surrender of lease by operation of law.

The Landlord may remedy any default by the Tenant under this lease and recover its costs of doing so from the Tenant as a liquidated debt.

Interest on overdue money

The Landlord may charge interest to the Tenant on any late payment by the Tenant at a rate equivalent to the prime overdraft rate for the time being applied by the Commonwealth Bank of Australia (**Bank**) for overdraft limits greater than $100,000 (or if the Bank ceases to quote that rate, the rate as in the Bank's opinion is equivalent for similar overdraft accommodation extended to prime borrowers) plus 2% per annum from the date the payment was due, such amount to be calculated on a daily basis.

Termination

Tenant's obligations

On expiration or termination of this lease the Tenant must:

If the Landlord so requests, but not otherwise, remove any crop which might be growing on the land at that time;

give up to the Landlord vacant possession of the Land in the condition the Land was in at the Commencement Date or as the Landlord otherwise requires in writing;

If the Landlord so requests, but not otherwise, remove all the Tenant's Property from the Land (but, not structural improvements or any of the Landlord's Property);
repair any damage caused by removal of the Tenant's Property; and
not leave any rubbish, waste or debris on the Land.

Failure to remove Tenant's Property

The parties agree that any goods or fixtures not removed by the Tenant in accordance with this clause are deemed to be abandoned by the Tenant, and become the Landlord's property and the Landlord may deal with those goods or fixtures as the Landlord thinks fit.

Option to renew

Further periods

If any option period or periods are set out in Item 10 of the Reference Schedule then the Tenant has the option to renew this lease for that period or those periods.

Exercise of option

The Tenant may exercise the option only if:
the Tenant serves on the Landlord a notice of exercise of option (**Option Notice**) not less than 3 months prior to the Terminating Date of this lease (or the First Option Term as the case may be);
at the time of service of the Option Notice and at the time of commencement of the option term, there is no Rent, Operating Expenses, GST or other money that is overdue for payment;
at the time of service of the Option Notice and at the time of commencement of the option term the Tenant has complied with all other obligations of the Tenant or has fully remedied any breaches in accordance with the terms of any notice to remedy given by the Landlord (minor and remedied breaches excepted);
at the time of service of the Option Notice the Tenant has fully remedied any breaches in accordance with the terms of any notice to remedy given by the Landlord (minor and remedied breaches excepted).

First Option Term

If the Landlord receives an Option Notice, and provided that those conditions of exercise as are required to be satisfied at the time of commencement of the option term, the Landlord may grant to the Tenant a new lease for the First Option Term (**Renewed Lease**) on the same terms and conditions (including any guarantee) as this lease, and with any necessary changes, but amended as follows:
Base Rent is reviewed under clause 3.1 and 3.2 as the case may be.
This clause is deleted.
In clause 20, Reference Schedule:
Item 1 specifies the then registered proprietor of the Land;
Item 4 specifies the further period (term of the Renewed Lease);
Item 5A specifies Base Rent determined under clause 3;
Item 5B has "not applicable" stated in place of any date; and
Such other consequential amendments as are appropriate, including amendments on the first page.

Second Option Term

If the Landlord receives an Option Notice, and provided that those conditions of exercise as are required to be satisfied at the time of commencement of the option term, the Landlord must grant to the Tenant a new lease for the Second Option Term (**Renewed Lease**) on the same terms and conditions (including any guarantee) as this lease, including any necessary changes, but amended as follows:
Base Rent is reviewed under clause 3.1 and 3.2 as the case may be.
This clause is deleted.
In clause 20, Reference Schedule:
Item 1 specifies the then registered proprietor of the Land;
Item 4 specifies the further period (term of the Renewed Lease);
Item 5A specifies Base Rent determined under clause 3;
Item 5B has "not applicable" stated in place of any date; and
Such other consequential amendments as are appropriate, including amendments on the first page.

After exercise of option

After serving the Option Notice and until the Renewed Lease comes into effect, the Tenant must continue to pay all Rent, the Tenant's proportion of Operating Expenses and any GST on time and continue to comply with all of the Tenant’s other obligations under this lease. If the Tenant does not do so the Landlord may treat any breach as being a breach of this lease as well as of the Renewed Lease. If the breach is rectified, the breach of the Renewed Lease is deemed not to have occurred.

General

Notices

Any notice or notification given under this lease must be in writing. A notice by the Landlord is valid if signed by an officer, solicitor or Managing Agent of the Landlord or any other person nominated by the Landlord.

The Landlord and the Tenant must promptly notify each other of any changes to their address and facsimile number and update the notice if any changes occur.

The Landlord may serve a notice on the Tenant by:

giving it to the Tenant personally;

leaving it at the Land;

sending it to the Tenant's facsimile number; or

posting it to the Tenant's last known registered office, residence or the Land.

The Tenant may serve a notice on the Landlord by leaving it at, or posting it to such place as advised by the Landlord to the Tenant from time to time.

Landlord's costs

The Tenant must pay to the Landlord:

stamp duty and registration fees on this lease;

the Landlord’s reasonable costs and legal fees and outlays:

relating to the preparation execution and registration of this lease;

relating to any assignment;

arising from any breach of this lease by the Tenant;

for any Landlord’s consent under this lease; and

for any mortgagee’s consent to this lease or to anything done under this lease which requires the Landlord's mortgagee's consent.

Power of attorney

The Tenant irrevocably appoints the Landlord and each of its officers as the Tenant’s attorney to act under this lease.

After the right to re-enter arises the Landlord, as the Tenant's attorney, may sign:

a surrender of this lease;

a withdrawal of any caveat lodged by the Tenant; or

any other document concerning this lease;

and in doing so, the attorney may use the Tenant's name and do anything relating to the Land which the Tenant could do.

Dealing with the Land

The Landlord may subdivide the Land, convert it to strata title, or grant easements or other rights over it provided that action does not derogate from the Tenant’s rights under this lease.

Landlord's consent

Unless otherwise stated, if the Landlord's consent or approval is required:

the Landlord may require the Tenant to comply with any reasonable conditions before giving its consent; and

it is not effective unless it is in writing.

Transfer by Landlord

The Landlord may transfer or mortgage its rights under this lease and the Tenant must enter into any document reasonably required by the Landlord in connection with that transfer or mortgage. If the Landlord sells the Land, the Landlord is released from its obligations under this lease arising after it ceases to be the owner of the Land and the new owner only is liable under this lease.

Non-merger

The terms of this lease will not merge because of the completion of any agreement in this lease.

Resumption for public use

If the Land is resumed for any public purpose, the Landlord may give the Tenant a notice terminating this lease from the date of resumption. The Landlord is not liable for any loss or damage because of the termination. Any rights of either the Landlord or the Tenant for any breach of the Lease before termination are not affected. Nothing in this clause will prohibit the Tenant from claiming compensation from the resuming authority.

Tenant’s payments

The Tenant must make payments under this Lease to the Landlord (or to a person nominated by the Landlord in a notice to the Tenant) by the method the Landlord reasonably requires.

The Tenant must pay the Landlord on time and not withhold or set off any payment under this Lease for any reason.

The Landlord need not ask for any payment by the Tenant unless this Lease states that demand must be made.

Where any money the Tenant must pay is calculated using a time period and the Lease starts or ends during that time period, the Landlord must make any necessary proportional adjustment.

If the Landlord or the Tenant proves an error in any money charged, the Landlord must correct it and give the Tenant a notice.

If a payment is to be made on a Rent Day that is not a Business Day, the Tenant must make payment on the Business Day before the Rent Day.

If the Tenant must pay an amount on the next Rent Day and there is no next Rent Day, the Tenant must pay that amount within seven days after the Landlord asks for it.

The Tenant's obligation to make a payment under this Lease is not affected by the Landlord's failure to give a notice on time.

If the time for a payment to be made is not specified, the Tenant must make the payment within seven days of being asked.

The Tenant's obligation to make payments under this Lease for the periods before expiry or termination are not affected by expiry or termination of this Lease.

Covenants to continue

The provisions of this Lease continue after the expiry or termination of this Lease unless the contrary intention appears. If the Landlord terminates this Lease before the Expiry Date, any rights arising before the termination are not affected.

Severability

If any term of this Lease or the application of any term to any person or circumstance is or becomes illegal, invalid or unenforceable in any jurisdiction, it will be severed in that jurisdiction and none of the other terms and conditions are affected.

Waiver

No waiver by the Landlord of any default by the Tenant will be valid unless in writing and will not operate as a waiver of any subsequent default;

Despite the Landlord's knowledge at the time, a demand for, or subsequent acceptance of, Rent or other money owing by the Tenant does not constitute a waiver of any earlier default by the Tenant.

Exclusion of warranties

The Tenant represents and warrants that no promise, representation, warranty or undertaking has been given by the Landlord or its agents concerning the suitability of the Land for the Permitted Use.

Entire agreement

This Lease is the entire agreement between the parties. No further or other terms are implied in this Lease or arise between the parties by way of collateral or other agreement because of any promise, representation, warranty or undertaking given or made by any party to this Lease to another on or before the execution of the Lease.

Tenant's obligations

Anything the Tenant must or may do under this Lease, it does at its sole risk and expense.

Approvals and consents

An application for consent or approval and the giving or refusal of consent or approval under this Lease must be in writing. Unless otherwise stated, the Landlord may give approval or consent conditionally or unconditionally or withhold its consent or approval as it decides.

Moratorium
Unless application is compulsory by law, no statute, ordinance, proclamation, order, regulation or moratorium present or future applies to this Lease so as to prejudicially affect any rights, powers, remedies or discretions given to the Landlord.
Benefit of covenants
If any person other than the Landlord becomes entitled to receive the money payable under this Lease either by operation of law or otherwise, the Tenant agrees that person has the benefit of all the obligations of the Tenant under this Lease.
Tenant's mortgagee
The Tenant must obtain the Landlord's consent before using this Lease or the Tenant's Property as security. The Tenant must enter into an agreement with a prospective secured creditor (which includes the holder of the security, whether a creditor of the Tenant or not) on terms the Landlord requires before it gives security over this Lease or over any assets of the business undertaken on the Land. Despite anything contained in this Lease the Tenant may grant a floating charge to its financiers in the usual course of arranging its business finance.
Managing agent
The Managing Agent may do anything that the Landlord may or must do under this Lease.
If tenant is trustee
If on or after the Commencement Date, the Tenant holds this Lease as trustee, then, even if the Landlord is not aware of the trust, this clause applies.
The Tenant enters into this Lease both as trustee of the trust and in its personal capacity.
The Tenant:
warrants it has power under the trust to enter into this Lease;
warrants it has a right of indemnity under the trust;
assigns any right of indemnity it has under the trust to the Landlord and must do anything necessary to give effect to the assignment;
must not do anything to prejudice any right of indemnity it has under the trust;
must not breach the trust;
warrants it enters into this Lease in the due administration of the trust; and
must do everything necessary to make available the assets of the Trust to rectify a default of the Lease and compensate the Landlord for the default.

Definitions and interpretation
Definitions
Australian Institute means the Australian Institute of Valuers and Land Economists (Inc) Queensland Division;
Base Rent means the amount specified in Item 5A of the Reference Schedule, as varied under this lease;
Business Day means a day being Monday to Friday not being a public holiday or Bank holiday;
Claim includes any claim, notice, demand, proceeding, litigation, investigation, judgment, loss, claim for compensation, cost, expense, damage or liability however arising whether present or future;
Commencement Date means the date specified at paragraph 6 on the first page;
Financial Year means 1 July to 30 June of the relevant years;
First Option Term means the first of the two five year Options (if exercised) set out in Item 10 of the Reference Schedule.
GST means any tax, levy, charge or impost implemented under the GST Act;
GST Act means *A New Tax System (Goods and Services Tax) Act 1999 (Cth)* or an Act of the Parliament of the Commonwealth of Australia substantially in the form of, or which has a similar effect to, the GST Act;
Land means the land described in paragraph 2 of the first page and Item 3 of the Reference Schedule, and includes the Landlord’s Property on the Land;
Landlord means the Lessor named at paragraph 1 on the first page and more particularly described in Item 1 of the Reference Schedule in clause 19 Annexure A;
Landlord's Property means any plant, equipment, appurtenances, services, fixtures and fittings servicing on the Land owned by, leased or licensed to, the Landlord;

Lease Year means the period of 12 months starting on the Commencing Date and then each succeeding period of 12 months;

Managing Agent means any agent appointed from time to time by the Landlord to manage the Land;

Neem Tree means the plant known by the scientific name of A*zadirachta indica* grown, cultivated and harvested by the Tenant pursuant to the Permitted Use;

Official Requirement means any law, regulation, requirement, notice, order or direction of any authority and includes the provisions of any statute, ordinance or by-law;

Operating Expenses means the total costs incurred by the Landlord in relation to the Land for each Financial Year during the Term arising by direct assessment or otherwise, other than expenses which are payable by the Tenant under this lease, including but not limited to:

rates, levies and other charges payable to any authority;

taxes, charges or assessments, including land tax calculated on a single holding basis;

insurance which may be effected by the Landlord relating to the Land including:

damage or destruction of the Land and the Landlord's Property for their full reinstatement value for damage however caused and the cost of removal and disposal of debris, consultants' fees and fire extinguishment costs;

public risk insurance for the Land;

workers compensation insurance for all employees engaged in connection with the Land;

repairs and maintenance of and any buildings and improvements on the Land;

costs incurred in providing Services to the Land;

pest control, security, fire prevention and garbage removal;

management costs;

but excluding:

the Landlord’s income tax or capital gains tax;

expenses due solely to any Tenant’s use of its Land; and

the cost of structural repairs, where applicable;

Permitted Use means the use of the Land specified in Item 8 of the Reference Schedule;

Quarter means each three calendar month period (or lesser period at the commencement and termination of the lease) commencing on the first day of January, April, July and October respectively;

Rent means the Base Rent;

Second Option Term means the second of the two five year Options (if exercised) set out in Item 10 of the Reference Schedule.

Services means all utilities and services provided by the Landlord to the Land from time to time;

Tenant means the Lessee named at paragraph 3 on the first page and in Item 2 of the Reference Schedule;

Tenant's Employees and Contractors or **Tenant's Employees or Contractors** means each of the Tenant's employees, contractors, agents, customers, subtenants, licensees, invitees or visitors who enter the Land;

Tenant's Property includes all fixtures and other articles or items in the Land, excluding the Landlord's Property;

Tenant’s Proportion means the proportion of the Operating Expenses specified in Item 7 of the Reference Schedule;

Term means the term specified at paragraph 6 on the first page and Item 4 of the Reference Schedule;

Terminating Date means the date specified at paragraph 6 on the first page and Item 4 in the Reference Schedule; and

Valuer means a fellow or an associate, of not less than 5 years' standing, of the Australian Institute, active in the relevant market at the time of appointment and with at least 3 years' experience in valuing the kind of land leased by this lease.

Interpretation

In this lease unless the context otherwise requires:

clause and subclause headings are for reference purposes only;

the singular includes the plural and vice versa;

words denoting any gender include all genders;

reference to a person includes any other entity recognised by law and vice versa;

where a word or phrase is defined its other grammatical forms have a corresponding meaning;

any reference to a party to this lease includes its successors and permitted assigns;
any reference to any agreement or document includes that agreement or document as amended at any time;
the use of the word **includes** or **including** is not to be taken as limiting the meaning of the words preceding it;
the expression **at any time** includes reference to past, present and future time and the performance of any action from time to time;
an agreement, representation or warranty on the part of two or more persons binds them jointly and severally;
an agreement, representation or warranty on the part of two or more persons is for the benefit of them jointly and severally;
reference to an exhibit, annexure, attachment or schedule is a reference to the corresponding exhibit, annexure, attachment or schedule in this lease;
reference to a provision described, prefaced or qualified by the name, heading or caption of a clause, subclause, paragraph, schedule, item, annexure, exhibit or attachment in this lease means a cross reference to that clause, subclause, paragraph, schedule, item, annexure, exhibit or attachment;
when a thing is required to be done or money required to be paid under this lease on a day which is not a Business Day, the thing must be done and the money paid on the immediately preceding Business Day; and
reference to a statute includes all regulations and amendments to that statute and any statute passed in substitution for that statute or incorporating any of its provisions to the extent that they are incorporated.
Reference schedule

Item 1
Landlord: David Richard McDonald

Item 2
Tenant: **Plantation Land Holdings Limited**
Item 3
Land: All the land described as Lot 5 on Crown Plan ET14, County of Etheridge, Parish of Bumba, Title Reference 20146239
Item 4
Term: 10 Years. Terminating Date: 31 December 2014

Item 5A
Base Rent: **Forty Thousand Australian Dollars**
Item 5B
Base rent commencement date: 1st January 2005

Item 6
Fixed percentage review dates
and percentage increase [insert method of review as applicable]

Item 7
Tenant's Proportion: 100%
Item 8
Permitted Use: For the growing, cultivation and harvesting of Neem Trees (or such other use to which the Landlord may consent under the terms of the lease).
Item 9
Public liability insurance: $10 million

Item 10
Options: Two (2) options of five (5) years each

SECTION 13: DEFINED TERMS

In this Prospectus the following words have the following meanings:

Allotment Date	the date of allotment of Shares to be issued pursuant this Prospectus.
Applicant(s)	Person(s) or companies who submit valid Application Forms pursuant to this Prospectus.
Application	a valid application made to subscribe for a specified number of Securities pursuant to this Prospectus.
Application Form	the forms so described which accompany this Prospectus.
Application Moneys	means the issue price multiplied by the number of Shares applied for in an Application Form.
ASIC	Australian Securities and Investments Commission.
Auditor	the Registered Company Auditor of the Company.
Azadirachtin	means a chemical extracted from Neem seed which has insect antifeedant properties and acts as an insect growth inhibitor.
Bioinsecticide	means a natural substance used to destroy or control insect pests.
Board	the Board of Directors of the Company.
Business Day	means a day other than a Saturday or Sunday on which banks are open for business in Australia.
Chairman	the chairman of the Board.
CHESS	means the Clearing House Electronic Sub-register System
Closing Date	means the last date of receipt of completed Application Forms for the Offers which is the 30th of December 2004 or such other date and time as the Directors in their absolute discretion, may determine.
Company	Plantation Land Holdings Limited ACN ACN 099 593 487
Constitution	the constitution of the Company.

Corporations Act	the Corporations Act 2001 (Commonwealth).
Director(s)	the Director(s) of the Company.
Directors' Options	Options granted to Directors of the Company on the terms and conditions set out in Section 11 – Additional Information of this Prospectus.
Electronic Prospectus	An electronic version of the Prospectus.
Existing Shareholders	means holders of shares in the Company at the date of this Prospectus.
Existing Shares	means ordinary shares in the Company on issue at the date of the Offer
Expiry Date	means the date 13 months after the date of this Prospectus being the date after which no Shares will be issued on the basis of this Prospectus.
Exposure Period	means the period of 7 days after the date of lodgment of this Prospectus, which period may be extended by ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.
Financial Year	the period of 12 months ending on 30 June in each year and includes the period from the date of incorporation of the Company to 30 June 2003.
Gross Income	the total income earned or derived by of the Company during a Financial Year.
GST	Goods and Services Tax or other similar value added tax.
Issue	the issue of Securities pursuant to this Prospectus.
Issue	

Price	means $0.50 cents per Share.
Limonoid	means a group of plant-produced compounds derived from mevalonic acid by biosynthesis and found in trees of the family Meliaceae (the mahogany family) and two other families;
Listing Rules	see NSX Listing Rules.
Maximum Subscription	the amount of $1,000,000 referred to in Section 7 of this Prospectus.
Minimum Subscription	the minimum subscription referred to in Section 7 of this Prospectus.
Neem	means a member of the plant family - scientific name Azadirachta indica.
NSX	the Stock Exchange of Newcastle Limited ACN 008 624 691
NSX Listing Rules	means the official listing rules of the NSX and any other rules of the NSX which apply while the Company is a listed company, each as amended or replaced from time to time except to the extent of any express written waiver by the NSX
Offer	the offer of 2,000,000 Ordinary Shares at an issue price of $0.50 cents each to raise up to $1,000,000 pursuant to this Prospectus.
Offer Price	means $0.50 cents per Ordinary Share
Official List	means the official list of the NSX. Official Quotation has the same meaning as in the NSX Listing Rules
Opening Date	means the first date for receipt of completed Application Forms which is the 12th day of October 2004.
Option(s)	A class of options to subscribe for Ordinary Share(s) issued exclusively to Directors of the Company on the terms and conditions set out in Section 11 of this Prospectus.
Ordinary Option(s)	A class of options to subscribe for Ordinary Share(s) issued exclusively to Directors of the Company.

Ordinary Share(s)	means Ordinary share(s) in the Company issued in accordance with its Constitution.
Ordinary Shareholder(s)	Applicants for Ordinary Shares the subject of this Issue.
Plantation	means the property identified as Lot 5, Crown Plan ET14, Parish of Bumba, County of Etheridge located on the Gilbert River near Georgetown in Queensland on which were established, in 1990, the existing Neem trees.
Produce	means any saleable product derived from the Neem trees grown on the Plantation including fruit, bark, pulp, kernels seeds, shells, leaves, twigs, debris and flowers.
Prospectus	the Prospectus and includes the Electronic Prospectus.
SCH Business Rules	the business rules of Securities Clearing House.
Section	a section of this Prospectus.
Securities	Ordinary Shares and /or Options.
Share(s)	refer to Ordinary Share(s) in the Company.
Shareholder	means a person who owns a share of any kind in the Company.
the Company	Plantation Land Holdings Limited ACN 099 593 487

SECTION 14: DIRECTORS’ STATEMENT

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in the Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with the ASIC, or to the Directors knowledge, before any issue of Ordinary Shares pursuant to this Prospectus.

This Prospectus is prepared on the basis that certain matters may be reasonably expected to be known to likely investors or their professional advisers.

Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Dated the 21st day of January 2005.

Signed for and on behalf of the Company

David R. McDonald ASIA
Director

HOW TO APPLY:

BEFORE COMPLETING THE APPLICATION FORM PLEASE READ THE FOLLOWING INSTRUCTIONS CAREFULLY.

1. Insert your FULL NAME and ADDRESS in BLOCK letters;

2. Insert the number of Ordinary Shares applied for and the amount enclosed. The minimum investment is $1,000;

3. The subscription is $0.50 cents for each Ordinary Share;

4. Make cheques payable to: Plantation Land Holdings Limited – Ordinary Share Application Account;

5. Forward the Application Form to: Plantation Land Holdings Limited care of Link Accounting, Unit 16, 64 Bannister Road, Canning Vale WA 6155.

NOTE:

Companies:

If the applicant is a company the application form should be signed in accordance with the constitution of the company. The companies' ABN number should be inserted after the companies' name where it first appears on the application form.

Joint Applications:

All applicants must sign joint applications and will be deemed joint tenants.

SHARE APPLICATION FORM

PLANTATION LAND HOLDINGS LIMITED
ACN 099 593 487

Important: Before signing this Application Form applicants should read the Prospectus to which the Share Application Form relates in its entirety. This Share Application Form must not be issued, circulated or distributed unless attached to the Prospectus which is dated the 21st day of January 2005 and expires on the Expiry Date which is the 20th day of February 2006.

PLEASE USE BLOCK LETTERS WHEN COMPLETING THIS FORM

Full name of applicant: ____________________________

Full name of joint applicant (if applicable): ____________________________

Company applicant (if applicable): ____________________________

Full postal address:
- Number/street: ____________________________
- Suburb/town: ____________________________
- State/postcode: ____________________________

Contact details:
- Tel – private: ____________________________
- Tel – business: ____________________________
- Mobile: ____________________________
- Email: ____________________________

Number of Ordinary Shares applied for: ____________________________

Total amount payable: ____________________________

PLEASE MAKE YOUR CHEQUE PAYABLE TO PLANTATION LAND HOLDINGS LIMITED – ORDINARY SHARE APPLICATION ACCOUNT

Lodgment of Applications:

Please return your completed Share Application Form with cheque(s) attached by post or hand to the Registered and Principal Office of the Company care of Link Accounting, Unit 16, 64 Bannister Road, Canning Vale WA 6155.

INSIDE BACK COVER

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BACK COVER

PLANTATION LAND HOLDINGS LIMITED
ACN: 099 593 487
Registered & Principal Office:
care Link Accounting
Unit 16, 64 Bannister Road,
Canning Vale WA 6155
Tel: (61+)-8-9455-7022
Fax: (61+)-8-9455-7502
Email: neemtree@bigpond.com
Website: www.neemtree.com.au