

INVESTMENT STATEMENT

in accordance with the Securities Act 1983

IMPORTANT INFORMATION

(The information in this section is required under the Securities Act 1978)

Investment decisions are very important. They often have long-term consequences. Read all documents carefully. Ask questions. Seek advice before committing yourself.

Choosing an investment

When deciding whether to invest, consider carefully the answers to the following questions that can be found on the pages noted below:

	<i>Page</i>
<i>What sort of investment is this?</i>	94
<i>Who is involved in providing it for me?</i>	94
<i>How much do I pay?</i>	94
<i>What are the charges?</i>	95
<i>What returns will I get?</i>	95
<i>What are my risks?</i>	95
<i>Can the investment be altered?</i>	95
<i>How do I cash in my investment?</i>	96
<i>Who do I contact with enquires about my investment?</i>	96
<i>Is there anyone to whom I can complain if I have problems with the investment?</i>	96
<i>What other information can I obtain about this investment?</i>	96

In addition to the information in this document, important information can be found in the current registered prospectus for the investment. You are entitled to a copy of that prospectus on request.

Choosing an investment adviser

You have the right to request from any investment adviser a written disclosure statement stating his or her experience and qualifications to give advice. That document will tell you-

- Whether the adviser gives advice only about particular types of investments; and
- Whether the advice is limited to the investments offered by one or more particular financial organisations; and
- Whether the adviser will receive a commission or other benefit from advising you.

You are strongly encouraged to request that statement. An investment adviser commits an offence if he or she does

not provide you with a written disclosure statement within five working days of your request. You must make the request at the time the advice is given or within one month of receiving the advice.

In addition-

- If an investment adviser has any conviction for dishonesty or has been adjudged bankrupt, he or she must tell you this in writing; and
- If an investment adviser receives any money or assets on your behalf, he or she must tell you in writing the methods employed for this purpose.

Tell the adviser what the purpose of your investment is. This is important because different investments are suitable for different purposes.

What sort of investment is this?

Warren Forestry Ltd is offering participation in a joint venture forest growing partnership, the capital of which is 100 units, being participatory securities, for the purpose of the Securities Act 1978, in the partnership.

The Triple Ridge Forest Partnership, as it will be known, will obtain the Forestry Rights to create four forest stands of three forest species, totalling 244 hectares, to be established in the North Canterbury hill country in 1999 and 2000.

Who is involved in providing it for me?

Triple Ridge Forest Partnership is being promoted and managed by Warren Forestry Ltd, whose address is Leinster House, 158 Leinster Rd, Christchurch. Warren Forestry was founded in 1994 to create, promote and manage forest growing joint venture investments in the South Island hill country. To date four prospectus based schemes, including Triple Ridge, and two private ones have been created, involving over 1,000 hectares of forest.

The Statutory Supervisor for Triple Ridge Forest Partnership is Perpetual Trust Ltd of 233 Cambridge Tce., Christchurch. Full and further details of all participants in this investment and what they do, are outlined in Section One of the Triple Ridge Forest Partnership Prospectus.

The Partnership has not yet been formed and will not be until all 100 units are subscribed for and allotted.

How much do I pay?

Each partner will pay in proportion to the number of units they have bought. The minimum subscription is two units being 2% of the Partnership capital.

The initial deposit for two units will be \$2,500 and once the Partnership is formed, further payments totalling \$5,468 will be required by 31 December 2000.

Thereafter an annual Budget approved by the Partners will

apply. A projection of expected costs is set out in the Cash Flow Forecast in Appendix E to Section Two of the Triple Ridge Forest Partnership Prospectus, the Forestry Plan.

The deposit is paid to Perpetual Trust Ltd and later payments to the Partnership by cheque or direct credit to its bank account. See 'Financial Information' in Section One of the Triple Ridge Forest Partnership Prospectus for further information.

Partners who fail to pay required contributions to the Partnership will ultimately subject their interest to forfeiture.

What are the charges?

Triple Ridge Forest Partnership will reimburse Warren Forestry Ltd \$22,324 being the cost of site preparation, planting, pest control, weed release, management and forest audit of the 23 hectare 'GT6' Radiata pine site which was planted in winter 1999. A breakdown of this cost is at the start of Appendix C to the Forestry Plan in the Triple Ridge Forest Partnership Prospectus.

The set-up costs of this investment totalling \$125,000 will be paid to Warren Forestry Ltd too. These are detailed in the Statutory Information in the Triple Ridge Forest Partnership Prospectus.

All forest establishment, tending, insurance and management costs are forecast for the entire term of the investment and are detailed in the Triple Ridge Forest Partnership Prospectus. Partnership management and administration costs are also detailed in the Triple Ridge Forest Partnership Prospectus and include: fees due the Statutory Supervisor of \$2,000 pa.; Accountancy and Audit fees declining from \$2,650 pa to \$1,250 pa; and administration fees declining from \$2,000pa to \$1,500 pa;

Each year there will be a budget prepared and presented to the Partnership at its Annual General Meeting for the Partnership to accept, reject or alter.

What returns will I get?

The return on this investment, other than by sale of units before harvest, will depend on the quality and quantity of the wood the Triple Ridge Forest produces and the price obtained at harvest. This is forecast to be \$202,897 per two unit share, in \$1999. The Manager of the Partnership shall distribute the return to the Partners following harvest. Under current law, no taxes, no duties or retentions are deductible but Partners may be liable for income tax

The detail of the return forecast and how it is arrived at, as approved by the Partnership's independent Forestry Consultant, is given in Section Two of the Triple Ridge Forest Partnership Prospectus.

The outlook for the forest grower is analysed independently by Forestry Consultants P.F. Olsen and Company Ltd and Forest Scientist Dr. W.R.J. Sutton in reports published in Section One of the Triple Ridge Forest Partnership Pro-

spectus.

Neither Warren Forestry Ltd, nor Perpetual Trust Ltd, nor their directors, nor any other participant guarantees repayment of the investment or any return.

What are my risks?

A statement on foreseeable risks is in the Investment Information portion of Section One of the Triple Ridge Forest Partnership Prospectus. In general, factors which may adversely affect the return forecast or the ability of investors to recover sums invested or may require additional sums from investors are: the volume and quality of wood grown; lower real log prices; natural disasters like fire, storm, landslides or pests, although insurance cover will be held for fire and storm damage; inflation of costs ahead of inflation of returns; unforeseen required expenditure; sale of units prior to harvest at a price lower than cost plus growth.

If a Partner elects to sell his or her units in the Partnership part way through the forest rotation there is no guarantee the investment will be recovered in full or a profit made.

In the unlikely event of the insolvency of Warren Forestry Ltd, Partners will not be required to pay any money to anyone as a result of the insolvency. All participant entities in the scheme are replaceable by the Partnership.

Partners are jointly and severally liable for the debts of the Partnership and rank behind all other creditors.

Can the investment be altered?

The rights and responsibilities of the Partners are set out in the Deed of Participation attached to the Triple Ridge Forest Partnership Prospectus. The Deed may be altered in a way that materially affects the Partners only with the agreement of the Statutory Supervisor acting on behalf of the Partnership and the Manager, and a 75% majority vote of the Partners, or to comply with legislation.

Unforeseen costs requiring extra payments from Partners exceeding \$250 per unit in any one year, or an alteration to the Forestry Plan may only occur following approval by the Partnership's Forestry Consultant and a Partners meeting vote requiring at least 50% support.

How do I cash in my investment?

Partners can sell one or more of their units at any time to anyone provided before they do, they give notice to the Manager who will then inform the other Partners and the Landowners in order that they may bid for the unit(s) for sale should they wish to.

There is an informal secondary market for the sale of forestry investment units and Warren Forestry Ltd will assist Partners wishing to sell. A fee for this service may be negotiated by Warren Forestry Ltd.

Who do I contact with enquiries about my investment?

Charles Etherington of Warren Forestry Ltd will assist investors with any enquires. Simply call (643) 355 3514 or fax (643) 355 7951 or Email w4rstry@cyberxpress.co.nz or write to P O Box 36 358 Christchurch, New Zealand.

Is there anyone to whom I can complain if I have problems with the investment?

Initially all problems or complaints should be put to the directors of Warren Forestry Ltd but if that is not satisfactory, contact the Corporate Services Manager of the Statutory Supervisor, Perpetual Trust Ltd, 233 Cambridge Tce., P O Box 112, Christchurch, Tel: (643) 379 8611 and Fax: 379 8608.

Partners together holding not less than 10 units may call a meeting of the Partnership pursuant to the Deed of Participation.

There is no ombudsman to whom complaints can be made.

What other information can I obtain about this investment?

Much more information about this investment is within the Triple Ridge Forest Partnership Prospectus and possible investors are encouraged to study all of it, especially Section One. Further copies and any other information about this project are available from Warren Forestry Ltd free of charge.

Copies of the Triple Ridge Forest Partnership registered Prospectus, Deed of Participation and any Material Contracts are filed with the Registrar of Companies at Cardinal House, corner Oxford Tce. and Gloucester St., Christchurch, and may be inspected after payment of a fee.

Once the Partnership is formed, approximately quarterly, forest progress reports will be sent to all Partners, plus annually, audited financial statements, annual Budgets and tax deduction certificates.