

Agreement in relation to water storage project

Waimakariri Irrigation Limited (*WIL*) entered into an agreement with Rooney Earthmoving Limited (*REL*) for REL to design, cost and present storage and operational options to WIL for storage reservoirs holding approximately 8,900,000m³ of water which are to be constructed and operated as part of WIL's existing irrigation and stock water scheme (*Storage Options*).

As part of designing the Storage Options:

- REL details the warranties that would be provided in respect of components that would be used in each Storage Option; and
- REL guarantees the due performance of all other aspects of the Storage Option chosen for a period of 1 year from commissioning of the Storage Option.

Once the Storage Options and costs have been provided and presented by REL, WIL decides whether it wishes to proceed with any Storage Option. WIL has no obligation to choose to proceed with any storage option.

If WIL advises REL that WIL wishes to proceed with a Storage Option then the parties shall try in good faith to agree and enter into a full agreement.

Under a full agreement WIL will contract REL to construct and commission the Storage Option chosen by WIL at the Storage Option cost presented by REL (unless the parties agree otherwise). The full Agreement will be consistent with the terms of this agreement.