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RURAL EQUITIES LIMITED COMMITS TO RUATANIWHA

The Annual Meeting of Shareholders of Rural Equities Limited (“REL”) was held in Central Hawke’s Bay on Tuesday, 24 November 2015.

At that meeting REL’s Executive Chairman, David Cushing, announced that REL had committed to participate in the Ruataniwha Water Storage Scheme (“RWSS”) in respect of the three properties (Middle Hills, Maranoa and Tahuna) that REL owns in the command zone. Yesterday, REL signed water user agreements for those three properties to irrigate 536 hectares, committing to purchase 2 million cubic metres of water per annum from the RWSS.

David Cushing said, “The RWSS provides a unique opportunity for REL to use irrigation to maximise the full potential of these three properties. The scheme will provide long term economic benefits for farmers and the Hawke’s Bay region.”

REL also announced that it had recently entered into an unconditional contract for the sale of Barry’s Bay, a sheep and beef property on Banks Peninsula in Canterbury. The sale price is at book value of \$4.7 million with settlement to take place in April 2017.

Shareholders received confirmation that the recently announced repurchase of 1,515,677 REL shares held on behalf of the Rotorua Energy Charitable Trust was now unconditional. The shares will be acquired on 20 January 2016 for \$4.20 per share and then cancelled. Since 2011, through the Company’s capital management strategy, the Company had repurchased and cancelled over 7.8 million shares at an average price of \$3.46. REL shareholders who have maintained the same holding since September 2011 have seen their effective shareholding in the Company increase by 23% as a consequence of that strategy.

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