



NEWS RELEASE

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RURAL EQUITIES LIMITED AND THE NEW ZEALAND RURAL PROPERTY TRUST MERGE

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Shareholders in Rural Equities Limited (REL) and unitholders in the New Zealand Rural Property Trust (NZRPT) have agreed to a merger of the two entities.

The transaction has gained resounding support from investors in both entities. NZRPT unitholders (excluding REL) voted 96% in support of the proposed merger at a Special Meeting in Wellington on 24 November 2009. REL shareholders approved it unanimously at the Company's Annual Meeting in Hastings on Friday 27 November 2009.

REL Chairman, Sir Selwyn Cushing, commented: "It is pleasing that the merger has been supported overwhelmingly by investors. The merger is a positive initiative that will result in an internalised management structure fully aligning the interests of REL shareholders and NZRPT unitholders."

At the meetings, Sir Selwyn told both groups of investors that the merger was a logical step providing unified ownership and other material benefits, such as cost savings from the elimination of duplicated activities, greater transparency and liquidity in share trading, and an expected reduction in the discount between the market price and net asset value. REL will also have an enhanced ability to pay fully imputed dividends.

Under the terms of the merger, NZRPT unitholders will receive one REL share for 1.15 NZRPT units. Share certificates will be issued before 4 December 2009.

REL will have 1,562 shareholders, with shares trading on the Unlisted and ShareMart trading platforms. Sir Selwyn told investors at the meetings last week that the board of REL would consider a listing on the NZX in the New Year "if significant advantages were expected for investors warranting the additional and not immaterial costs."

Sir Selwyn also commented: "The long-term outlook for profitability and valuations of quality agricultural properties in New Zealand is outstanding, due to positive demographics together with New Zealand's favourable and temperate climate. REL is well placed, with a \$200 million diversified portfolio of quality rural properties combined with a very strong balance sheet. In our view, the Company's portfolio of farms is the best large scale, diversified rural property investment available in New Zealand."

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REL has a diverse portfolio of 30 quality farms spread throughout New Zealand, as well as a pine forest near Ngaruawahia. Twenty of the farms are leased and ten are farmed directly, with six of these being dairy farms. On the dairy farms, approximately 3,700 cows are milked in conjunction with sharemilkers. Milk production for the 2008-09 season was over 1.4 million kilograms of milk solids. The pine forest is mature and is being harvested, with harvesting of the first tree crop expected to be completed in mid 2010. The forest is being re-established following harvest.

The Trust's properties and other associated assets were independently valued at approximately \$200 million as at 30 June 2009.