

23 June 2010

Attention Mark Gillard
New Zealand King Salmon Company Limited
PO Box 1180
Nelson 7040

Record No: 10171149
File Ref: U021247, U040813,
U060926, U040217,
U040412 & U000956
Ask For: Keith Heather

Dear Mark

Review - Discharge Volumes - New Zealand King Salmon Sites - Clay Point, Ruakaka, Forsyth, Otanerau and Te Pangu

Thank you for meeting with me on 3 June 2010.

The purpose of this letter is to record the agreement we achieved at that meeting in relation to overall discharge volumes for the 2010 year.

Ruakaka - Site 8274

The 2009 monitoring shows high levels of impact at the cage and 50mm sites respectively.

We have confirmed that once the current harvest is completed the number of fish will decrease from 400,000 to 200,000 and that the volumes discharged will decrease from 2,707 tonne to 2,100 tonne by the end of 2010, dropping to 1,800 tonne in the 2011 year.

It is possible these discharge volumes will be even lower given the recent mortalities created by the algal bloom at this site and subsequent need to transfer some of the cages to Otanerau.

We should confirm the exact amount once the Ruakaka site is fully functional again.

Otanerau - Site 8396

This site will reduce from 1,496 tonne to 1,415 tonne for the year to November 2010.

Waihinau & Forsyth Bays (Pelorus) - Sites 8085 & 8110

The Waihinau Bay has currently been fallow and the farm relocated into Forsyth. The maximum discharge for the Forsyth Bay site for the 2010 year shall be 3,703 tonne per site.

Te Pangu - Site 8408

Council has recently issued Coastal Permit U090841 authorising a staged increase in discharge on 4,000 tonne to 6,000 tonne subject to a revised environmental quality standards and a monitoring programme.

In terms of Stage I of this permit the maximum discharge volumes at the Te Pangu site in the 2010 year shall be 4,700 tonne.

Clay Point - Site 8407

Monitoring to date shows compliance with environmental quality standards and accordingly you may proceed to Stage III of the Coastal Permit, the maximum discharge in the 2010 year being 3,500 tonne.

Thank you for your cooperation in this matter. Please contact me re the Ruakaka Bay site once it has been restocked.

Yours sincerely

**KEITH HEATHER
RESOURCE MANAGEMENT OFFICER**