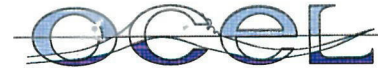


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2 May 2017

Dr S Ulrich
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Dear Sir

NEW ZEALAND KING SALMON ENGINEER SIGNOFF FOR WAITATA REACH FARMS

As per the attached OCEL letter I certified in 2016 that the design of the Waitata Reach farms has been specified by a suitably qualified and experienced Chartered Professional Engineer – the undersigned in this case – to take the maximum hydrodynamic loads developed by waves and tidal currents and to accommodate the tidal range at the entrance to Pelorus Sound. I also arranged the peer review by Houlder of the mooring design. My signoff was to satisfy compliance conditions of the resource consent U140295.

Recent developments in New Zealand King Salmon (NZKS), in particular the actions of the company's Chilean COO who has implemented changes to the mooring design without reference to me – I only found out about the ad hoc changes informally – have rendered our position untenable. The moorings are now not as per our design and I understand that the intent is ultimately to completely remove the MarineFlex mooring elements from the farm mooring arrangements. To date some MarineFlex elements have been left out of the Kopāua farm and a hybrid arrangement is in place. I have no option but to withdraw both my certification for the Waitata and Kopāua farms and the Houlder PS2. I have warned NZKS that I would be obliged to do this in the light of the changes made without reference to me and the company may have contacted you with details of how they intend to comply with the resource consent conditions. OCEL can no longer take responsibility for a design modified without our approval or input.

Yours faithfully
OCEL Consultants NZ Limited


G C Tear
CPEng



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10 May 2016

Dr S Ulrich
Environmental Scientist (Coastal)
Marlborough District Council
PO Box 443
BLENHEIM 7240

Dear Sir

CONSENT COMPLIANCE U140295 – CONDITIONS 22 AND 23

I am in receipt of a copy of your letter of 27 April 2016 to Mark Gillard, NZKS Environmental and Compliance Manager, noting compliance with condition 23 and partial compliance with condition 22 on the basis of information supplied by the undersigned in relation to the anchor pullout test and design certification. The design has been specified by a suitably qualified and experienced Chartered Professional Engineer – the undersigned – to take the maximum hydrodynamic loads developed by waves and tidal currents and to accommodate the tidal range at the entrance to Pelorus Sound.

With regard to supervision of the installation of the anchoring system there is no requirement for me to be present full time on site for the installation of the system. This is quite normal for other engineering projects we work on such as heavy duty wharf construction. We may have a site engineer for complex projects. I review the QA data and maintain contact with the construction team. I have full confidence in the professionalism of the installation team for the NZKS farms and I am supplied with the installation torques developed during the installation of each anchor which is an effective form of quality control.

The anchoring system has been installed in accordance with the design report and plans.

Yours faithfully

OCEL Consultants NZ Limited



G.C. Teear
CPEng