



arafura

AUSTRALIAN PEARLS

ARAFURA PEARLS HOLDINGS LTD
ABN 88 092 266 067

ARAFURA PEARL PROJECT 2009

Project Summary

ABOUT ARAFURA PEARLS

Arafura Pearls Holdings Ltd is an ASX Listed (code APB) company with net assets in excess of \$46 million as at 30 June 2008. Arafura Pearls has been in operation for more than 8 years and has been harvesting pearls since 2001. Since that time the company has grown to become one of Australia's leading pearling operations.

2009 PROJECT FEATURES

- Arafura Pearls has the only MIS in Australia enabling investors (growers) to leverage off its quota and operations and become Australian South Sea pearl producers in their own right.
- 100% tax deductible investment to be supported by ATO Product Ruling
- Relatively short project life of approx 6.5 years with harvest income in years 5 & 7.
- Shell guarantee for first 18 months of the project.
- Strong potential commercial returns supported by independent research - leading agribusiness research house Adviser Edge awarded the project 4 stars (out of 5) in 2008.

WHY AUSTRALIAN SOUTH SEA PEARLS?

High value/low volume luxury product

Australian South Sea pearls are the most prestigious and valuable pearls in the world. Australia produces less than 1% of world production by volume but this accounts for more than 30% of world market by value.

Lucrative and mature industry

Australian South Sea pearls is Australia's second largest fisheries export product by value (ABARE, 2007)

High barriers to entry

Production restricted by a strict quota system enforced by WA and NT fisheries, and other factors such as a limited number of farm sites.

Competitive advantages over rest of world

The quality and size of the pearl from the Australian native shell, and the isolation and pristine marine environment of Australia's north.

Sales & Marketing

Strong demand outlook for this luxury export product as affluence continues to grow in Asia.

WHAT DOES IT COST? (ex GST)

1 Project Interest (approx 100 seeded shell)	\$6,300 (minimum of 2 Interests)
Ongoing Fees	Ongoing management fees deferred and calculated as a % of harvest income for grower convenience.
Shell Insurance	Likely to be available at a cost of approx 2% of shell value



YEARS 0—2

GROW SHELL

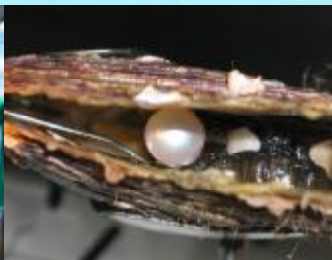
Selection of suitable juvenile spat & growout for two years until the spat are suitable size for seeding. Shell guarantee for first 18 months provided by RE.



YEARS 2—4

SEED AND HARVEST

The oyster shell are seeded two years after commencement and the shell are regularly maintained over the following two years.



YEARS 4—6

1ST HARVEST & RE-SEED

The first harvest for the project occurs four years after commencement. Suitable shell are re-seeded, and the shell continue to be maintained. Income from the first project harvest is distributed to growers.



YEAR 7

2ND HARVEST & PROJECT END

The second and final harvest for the project occurs. Income from the final harvest is distributed to growers and project concludes.

CONTACT

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