

Registered Office

Staples Rodway
P O Box 146
Taranaki Mail Centre
NEW PLYMOUTH
New Zealand 4340

**Contact**

T: 00613 64 522 911
F: 00613 64 522 519
Chief Executive Officer
Nicola Morris
office@vdlfarms.com.au

Press Release

The Annual General Meeting of Tasman Farms Limited was held in Auckland, New Zealand on Wednesday 20th October 2010.

A copy of the Chairman's presentation and address is attached to this release.

Election of Directors:

The following directors were elected in accordance with Clause 19.2 of the Company's constitution:

Dr. Robin Pratt
Mr. John Watson AM

For further information please contact:
John Watson AM
Chairman
+ 61419116807

Or

Nicola Morris
Chief Executive Officer
+61419503403

**TASMAN FARMS LIMITED ANNUAL MEETING
WEDNESDAY, 20th OCTOBER 2010**

A G E N D A

Slide 1

1. WELCOME

Welcome ladies and gentlemen to this the ninth Annual Meeting of Tasman Farms Ltd.

2. INTRODUCTION

Firstly I would like to make some introductions to the meeting:

- I am John Watson, Chairman of Directors.

I would also like to present the other Directors of the Company who are present:

- John Andrews from Wellington
- Miles Hampton from Hobart, Tasmania
- Robin Pratt from Christchurch
- Trevor Westacott from Timboon, Victoria

I would also like to introduce the Chief Executive Officer, Nicola Morris.

Tim May representing Ernst & Young, the Company's auditor, is also in attendance.
The auditor's report was circulated as part of the annual report.

3 PRELIMINARY MATTERS

Before addressing the business proper, I record the following matters:

- a. As per the Constitution of the Company the Notice of Meeting was posted to all members of the Company within the required time frame and it is taken as been read.
- b. The register of directors' shareholdings is as set out in the 2010 Annual Report. The Register is available for inspection by shareholders.
- c. There is a quorum of shareholders present in person or by proxy.

I record that the Directors hold proxies from shareholders holding shares representing 97.7% of the issued capital of the Company.

I also note that Computershare representatives are in attendance and will manage any polling or procedures matters of this meeting.

4. APOLOGIES

Are there any apologies?

5. PRESENTATION OF ANNUAL REPORT

Shareholders have been mailed a printed copy of the Financial Statements, Directors' Report and Auditor's Report for the year ended 31st May 2010. Before dealing with any questions on the accounts and report I would like to make these brief comments.....

Farmgate milk prices fell compared to 2009 due to low international dairy commodity prices for much of the year. However in the current calendar year there has been a significant increase in world prices, leading to an increase in livestock values and an improved outlook for farmgate milk prices.

The Tasman Farms result for 2010 reflects this impact on profitability in a year when production from its Tasmanian operations reached near-record levels.

I would like to commence with a review of the past year and will speak shortly on the prospects and outlook for the Company.

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Financial

Your Company generated a net profit after tax and minority interests of \$0.55 million for the year ended 31st May 2010, well up from a net loss after tax of \$8.03 million in 2009. The result for 2010 includes the de-recognition of \$2.47 million of carried forward tax losses.

Earnings before interest and tax was a profit of \$7.94 million, up from a loss of \$6.11 million in the previous year.

The improved outlook for farmgate milk prices has impacted on the market value of dairy livestock. The average value has increased to \$1,430 from \$941 per cow in 2009, and contributed to a \$9.22 million increase in the livestock trading account.

The market value of land and buildings was independently assessed and has declined by \$12.81 million over the year, with a greater decline on the non-dairy land than the dairy assets. A significant factor in the decline in value is the number of properties available for sale in the Circular Head region of Tasmania, with minimal interest from prospective buyers.

Total assets have decreased by \$3 million after accounting for foreign exchange adjustments (to \$235 million down from \$238 million).

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Our total liabilities have increased by \$5 million, due to an increase in borrowings to fund operational requirements.

Other financial factors of interest include net tangible assets of the company which decreased to \$1.86 per share as at 31st May 2010, from \$2.01 at 31 May 2009.

Earnings per share improved to a profit of 0.8 cents per share, compared to a loss of 11.96 cents per share at 31 May 2009.

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Farming Results

Dairy Operations

The company's milk production declined slightly from 2009's record production, to 4.02 million kilograms of milk solids. The very wet start to the season had a significant adverse impact on production.

Farmgate milk payments in Tasmania declined by a further 20% compared to the previous season, with an average price of \$5.34 per kilogram milk solids being received by the Company, compared to \$6.55 for the previous season (and \$7.47 for 2008).

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Non Dairy Operations

Lamb numbers were increased to take advantage of improving meat prices.

Beef livestock numbers have reduced and continue to reflect the change in focus of the non dairy operations. Large scale bull beef finishing has been phased out and replaced with a breeding cow operation and a focus on high margin cattle finishing, both to the Company's own account and through an agistment arrangement with the local meat processor.

The beef operations are now acting as a true dairy support block providing short-term grazing and supplements.

There have been continued enhancements in the Heifer Operations, with further improvements in weight gains, in-calf rates, and general animal health. The heifer operation is the underlying driver of the dairying business.

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Farm Outlook

Farm Outlook - Dairy

Our cow condition was at or above target at calving as was pasture cover. The extreme weather conditions of the previous year were not repeated, with production for the 4 months to September slightly up on the Company's budget. Production is up by 39% on the previous year, primarily due to the transition of a number of farms to autumn calving.

Slide 6 (continued)

The season continues to have a favourable outlook, which if maintained will result in a significant increase in production over the previous year. In the longer term, production will benefit from planned capital expenditure, which I'll address further in a few moments.

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Graph reflecting production

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Farm Outlook - Non Dairy

The beef operation will continue to focus on:

- high margin cattle finishing to achieve profitable and sustainable returns
- a heifer operation which can supply a high quality replacement heifer to the dairy unit; and
- supporting the dairy business through provision of grazing and additional supplements.

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Farm Outlook - Industry

Improved dairy commodity prices have led to a positive outlook for the current season, with the opening milk price in Jul 10 up 14% on the prior year opening, and further increases anticipated.

The current high value of the AUD will impact on farmgate returns as the value of exports is reduced, but the Company's forecast of \$6.21 per kilogram of milk solids remains within industry expectations.

Industry commentators note that there is a difference between the New Zealand milk forecast, which is due largely to the differential exchange rate with the USD and NZD.

Beef prices are currently at a high level but long-term prices remain uncertain given the current economic climate and exchange rate fluctuations.

The focus of the company continues to be on developing existing assets and identifying opportunities to add value.

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Capital Investment

Three significant injections of funds have been provided by shareholders in the past 12 months. The 2 largest shareholders injected 2 million in October 2009 to fund capital projects. A further 6.2 million was raised by the issue of Convertible Redeemable Notes to New Plymouth District Council in May 2010, to alleviate pressure on working capital and to fund new capital programs. 6 million of this amount has since been converted to shares. Finally, a Rights Issue was completed in June, resulting in a further 6.5 million in share capital being raised.

This has provided a significant pool of funds for the Company to invest into its Tasmanian operations, aimed at obtaining significant improvements in productivity. There will be some gains in the current year, but significant gains will be made in subsequent years primarily from increased feed availability.

To date capital projects which have been approved and commenced are:

- Land clearance at Mt Cameron
- Land clearance at Denium Hills
- Grain Feeding into all dairy sheds
- Dairy shed technology into the Woolnorth dairy sheds
- Wallaby-proof fencing of the entire Woolnorth property

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Profile

Company

Eight of the Company's 23 dairy farms are now managed by employed Farm Manager's. This is attracting quality farm operators who would otherwise be unable to afford to enter the industry.

The company's community profile continues to lift with a focus from within the company on supporting the local community.

An ongoing focus on animal welfare together with management maintaining an open line of communication with local regulators has also enhanced the company profile.

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Summary

In summary ladies and gentlemen, your Company has returned to an operating profit. The year has been difficult despite near-record production, due to the prevailing low milk prices. However, the outlook for the current season is positive, with current milk prices and production both higher than last season.

We will continue to develop a profitable and sustainable beef operation and continue to focus on producing top quality replacement dairy heifers.

Ladies and gentlemen, in concluding my address today, I would like to thank Management, Sharefarmers and staff for their efforts over the past season, and thank my fellow Board Members for the support they have given me as Chairman.

The financial statements and annual report are now presented for your information.

Are there any questions on the financial statements?

6. Election of Directors

We now come to the next part of the meeting, Election of Directors.

Refer to Business of the Annual Meeting notes – resolution 1

7. General Business

Are there any questions or items of General Business?

8. Conclusion of Formalities

If there are no other items of general business I would like to thank you for your attendance and declare this meeting closed.

We welcome you to join Directors, Management and staff for refreshments at the back of the room.

Thank you.

**CHAIRMAN'S ADDRESS
ANNUAL MEETING
TASMAN FARMS LIMITED
WEDNESDAY 20th OCTOBER 2010**

COMPANY OVERVIEW

- Net profit after tax of \$0.55 million
- Earnings before interest and tax was a profit of \$7.94 million
- Livestock valuation increase leads to a \$9.22 million gain in livestock value
- Drop in land and buildings valuation of \$12.81 million
- Total group assets \$235 million

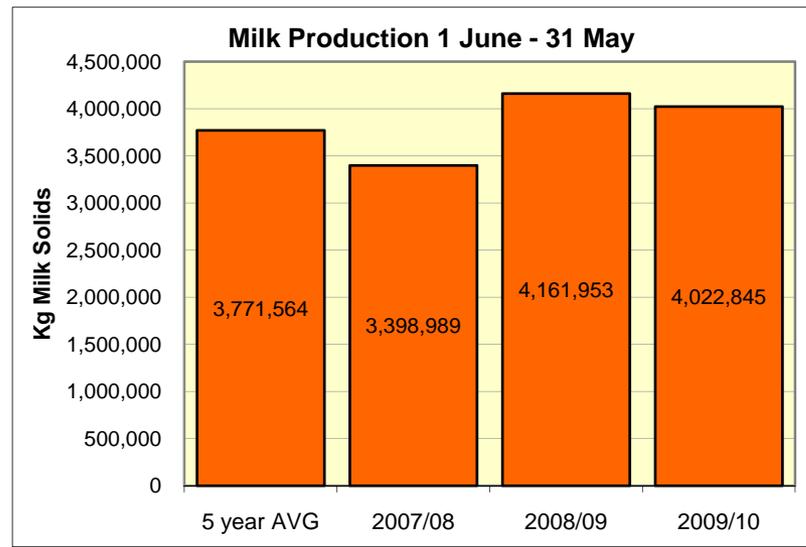
COMPANY OVERVIEW (cont)

- Total Group Liabilities \$106 million
- NTA is \$1.86 per share
- EPS is 0.80 cents per share

FARMING RESULTS

Dairy Operations

- Milk production decreased 3.3% from the previous year's historic high, to 4.02 million kilograms of milk solids
- Wet start to season had detrimental impact on production
- Farmgate milk price dropped 20% over the year to \$5.34 per kg milk solids



FARMING RESULTS

Non-Dairy Operations

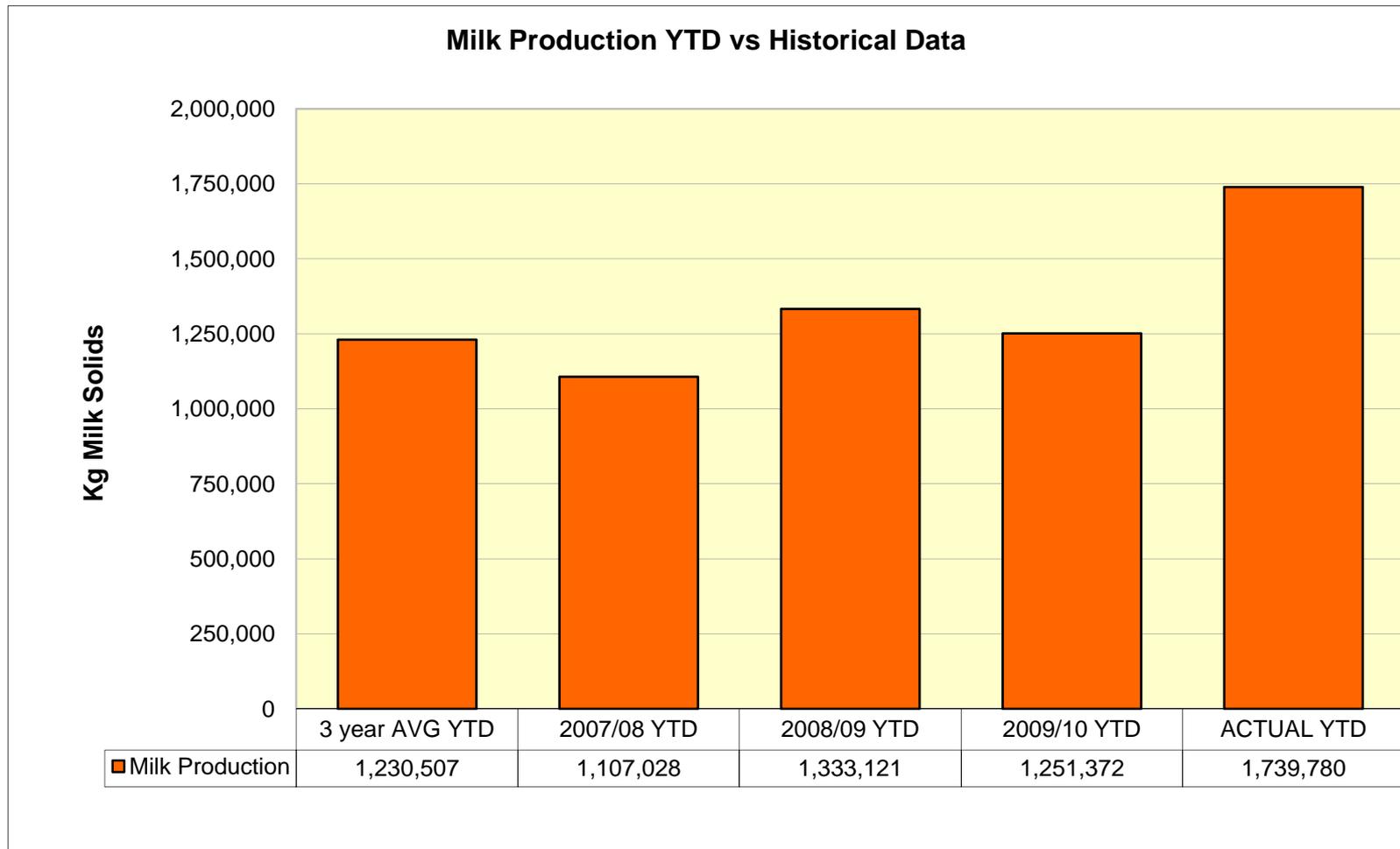
- Total sheep livestock increased to 1,574 from 1,099 in 2009
- Total beef livestock owned by the Company reduced to 5,235 from 8,010 in 2009
- Continued increased focus on high margin cattle finishing of agisted and owned livestock
- Dairy heifers reaching acceptable mating and calving weights

FARM OUTLOOK

Dairy

- Cow condition and pasture cover at or above target at calving
- Production to 30 September up slightly on the Company's budget. Up 39% on last year due to transition to autumn calving
- Current conditions are favourable and indicate a significant increase in production over 2009
- Rights Issue and Convertible Debt proceeds to provide significant boost to productivity in future years

Milk Production to 30th September 2010



FARM OUTLOOK

Non - Dairy

- Increase in number of agisted animals
- Continued focus on profitable and sustainable beef operations
- Supplying fit for purpose replacement dairy heifers
- Supporting dairy business through provision of grazing and additional supplements

OUTLOOK

Industry

- Improved international dairy commodity prices
- Opening milk price up 14% on the prior year opening
- Forecast at \$6.21 per kilogram of milk solids
- Beef prices currently at a high level but long-term uncertainty remains

CAPITAL INVESTMENT

■ New funds raised

- 2.0 million from Share Capital in October 09
- 6.2 million from Convertible Notes in May 2010
- 6.5 million from Rights Issue in June 2010

■ Capital development in Tasmanian farming operations

- Expansion of heifer-raising grazing area
- Grain feeding
- Capital fertilizer
- Dairy shed technology
- Wallaby-proof fencing

PROFILE

Company

- Increase in number of dairy farms managed by employed farm managers
- Ongoing support of local community
- Continued improvement in animal welfare procedures

SUMMARY

- Returned to operating profit following 2009 loss
- Further decline in milk price compared to previous year
- Wet start to season impacted on 2010 production
- Positive outlook for 2011 milk prices and production
- Continue to focus on building a profitable and sustainable beef operation and producing fit for purpose dairy heifers