

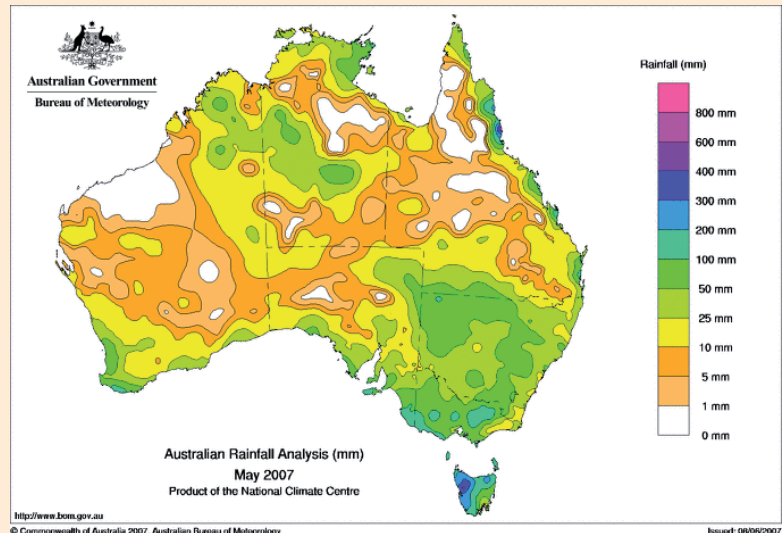


Murray River Storage

Given that the majority of the Murray River catchment area has experienced above to above-average rainfall totals in the past two months, Adviser Edge considers it valuable to inform you of the effect these rainfall events have had on key water storage levels in the Murray River system. Adviser Edge also considers it important to provide an update of the climatic conditions forecast for the catchment area as we approach the crucial winter and spring months.

While most of the catchment region experienced above average rainfall during May, high soil absorption rates early in the month meant that the stream flows feeding the Murray were limited, with storage levels of the Dartmouth and Hume Reservoirs remaining relatively unchanged. This rainfall did provide valuable moisture to the soil, and follow up rain received during the later stages of the month has provided some beneficial stream inflows, particularly in the Alpine region of Victoria. The stronger stream responses resulted in the storage levels of Hume and Dartmouth increasing moderately by 59 gigalitres (GL= 1,000 ML) and 14GL respectively between 23 May and 6 June.

While the stronger stream flows are considered positive, it is important to note that despite exceeding May's all-time inflow low (experienced in 1902), inflows during May 2007 still only equalled one-sixth of the long-term average for the month. Hume and Dartmouth storage levels remain at very low levels, estimated at 8% and 12% respectively, and it is vital that the catchment areas receive significant rainfall in the coming months to take advantage of the wet catchment and further boost current storage levels.



Seasonal outlook- expectation of developing La Nina event

Looking ahead, experts consider that there is a 40% to 55% chance that southeastern Australia will experience above median rainfall during the June to August period. Most experts consider that a La Nina event, generally resulting in wetter than normal conditions (particularly in Spring) across much of the eastern half of Australia, will commence in the coming months. The reverse of an El Nino event, La Nina describes a period when the ocean temperatures in the western part of the Pacific Ocean (along the Australian eastern-seaboard) are abnormally warmer than the temperatures experienced in the eastern Pacific Ocean (near to South America).

All major international models are showing that the eastern Pacific Ocean will cool in the coming months, indicating the strong chance that a La Nina event will occur during 2007.