

H&G Limited
C/o Coffey Davidson Limited
303 Karamu Road
Hastings

14 June 2007

Dear Shareholder

OFFER FROM H&G LIMITED

On 1 June 2007 H&G Limited ("**H&G**") wrote to you enclosing its offer to purchase 2,223,791 shares in Rural Equities Limited ("**REL**"). Since that offer was sent to you REL has posted to its shareholders its response to that offer, together with a copy of an independent adviser's report on the offer.

The independent adviser engaged by REL has concluded that the H&G offer price of \$2.75 per share is within their assessment of REL's fair value range. The response posted to you by REL also notes that a Director of REL, and his associates, and associates of another Director of REL, propose to accept the offer.

As previously advised to you, the offer price of \$2.75 per share represents a 31% premium from the last trade on Unlisted before H&G announced its intention to make the offer. The independent adviser engaged by REL noted in their report that it is likely that REL's share price will trade below H&G's offer price, once the offer closes.

Should you accept H&G's offer, no brokerage will be payable.

The offer closes at 11.00 am on 3 July 2007. The offer will not be extended beyond that time, nor will the offer price be increased. You are accordingly urged to accept the offer for all of your REL shares.

Please post your acceptance to the offer as soon as possible to avoid any risk of missing out on the offer due to postal delays. Should you have mislaid the offer document, your acceptance form, or the prepaid envelope with which to return your acceptance form, please telephone Computershare on (09) 488 8700.

Yours sincerely



David Cushing

Director

H&G Limited