

Supplementary Explanatory Memorandum

This document is a Supplementary Explanatory Memorandum setting out more information about the Settlement Proposal outlined in the Explanatory Memorandum dated 23 September 2013 for consideration of

Australian Forests Project 2001 ARSN 094 614 678

1 November 2013

- **This Supplementary Explanatory Memorandum:**
 - Provides more information about the Settlement Proposal outlined in the Explanatory Memorandum dated 23 September 2013;
 - Notifies Growers of the adjournment of the Scheme Meeting convened for 17 October 2013 to 1:00 pm on 11 November 2013; and
 - Outlines amendments to the resolutions proposed to be placed before the meeting.
- **Growers can vote by lodging a proxy or by attending the meeting in person. Please note that having considered this Supplementary Explanatory Memorandum, it is possible for you to change or withdraw your vote in the timeframe below.**
- **Unless withdrawn or replaced, proxies lodged in respect of the first session of the meeting, which was adjourned on 17 October 2013, continue to operate for the resumption of the meeting on 11 November 2013.**
- **The Adjourned Meeting will also be broadcasting live on the internet from the following website:**
<http://www.brrmedia.com/event/116266/>
- **Proxy appointments can be lodged, withdrawn or changed until 8:00 am on 9 November 2013.**

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR URGENT ATTENTION

YOU SHOULD READ THIS DOCUMENT BEFORE DECIDING WHETHER OR NOT TO VOTE BY PROXY IN FAVOUR OF THE SETTLEMENT PROPOSAL OR TO WITHDRAW ANY CURRENT PROXY VOTE PREVIOUSLY LODGED. IF YOU ARE IN DOUBT ABOUT HOW TO DEAL WITH THESE DOCUMENTS, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

IF YOU HAVE ANY QUESTIONS IN RELATION TO THIS SETTLEMENT PROPOSAL YOU SHOULD CALL BRI FERRIER ON (02) 8263 2300 OR VISIT THE "CURRENT MATTERS" SECTION OF THE BRI FERRIER WEBSITE www.briferrier.com.au FOR MORE INFORMATION.

EXECUTIVE SUMMARY

- This Supplementary Explanatory Memorandum (**Supplementary EM**) provides further information about the Settlement Proposal (**Settlement Proposal**) outlined in an Explanatory Memorandum (**Original EM**) dated 23 September 2013. The Supplementary EM and the Original EM should be read together, with the Supplementary EM providing additional and more recent information about what is said in the Original EM and more information about how fees may be charged by the New RE. Terms defined in the Original EM are used with the same meaning in this Supplementary EM.
- The Settlement Proposal resolves disputes between the Deed Administrators of FEA and FEAP, the Receivers of those companies, the FEA Group Companies and the FEA Group Companies' Secured Creditors (**Banks**) and provides for the sale and/or restructuring of assets owned by the FEA Group Companies and some of the Managed Investment Schemes those Companies sponsored.
- The Settlement Proposal is documented in a confidential Implementation Deed.
- The sale process under the Settlement Proposal provides for the sale of the land and trees owned by the Growers in the Schemes and the FEA Group of Companies, and is likely to lead to one of the following:
 - **One-Line Sale** – Land owned by the FEA Group and the Growers' trees are sold unencumbered. Growers receive a share of the net proceeds of the sale. **OR**
 - **MIS Transition** – The Internal Land in Tasmania will be sold with the 1995 to 2001 Schemes remaining in place; Macquarie Alternative Assets Management Ltd (**MAAML**), a member of the Macquarie Group, will become the New Responsible entity (New RE); and Macquarie Forestry Services Pty Ltd will become the new Manager of your Scheme. The Schemes are then expected to continue through to harvest, with returns being made to Growers after harvest. The Remaining Estate will be sold on an unencumbered basis.
- To allow the sale to proceed, the Scheme Constitution has to be amended. Growers have been asked to consider and vote on the Settlement Proposal and the consequent changes to the Scheme Constitution at a Scheme Meeting.
- Whether the assets are sold by the One-Line Sale or MIS Transition will depend on the bids received. The Receivers will determine whether the sale should proceed as a One-Line Sale or an MIS Transition.
- The MIS Transition is structured with a condition that MAAML will only become a New RE if:
 - the Receivers determine the MIS Transition is the preferred option; and
 - all Conditions Precedent are met; and
 - MAAML consents to act as the New RE.
- These conditions make it impractical for MAAML to comply with the ordinary statutory requirement to become the New RE within 48 hours after appointment. The Deed Administrators have therefore applied to the Australian Securities and Investments Commission (**ASIC**) for relief from this statutory requirement.
- The Deed Administrators would like to provide more information, as contemplated in the Original EM, and are doing so through this Supplementary EM.
- To allow this Supplementary EM to be prepared and for you to consider it, the Scheme Meeting which opened on 17 October 2013 was adjourned to 11 November 2013.
- In considering the information provided in the Original EM and this Supplementary EM, Growers should note that the outcome of the proposed sale process will be determined by the Receivers based on the bids received and the Sale Advisor's advice.
- The Deed Administrators currently project that the return to Growers under the MIS Transition will be higher than under the One-Line Sale. However, this projection is based on information currently available to the Deed Administrators, and perceptions of potential net stumpage rate increases. As circumstances change, so will returns.
- The projected returns from an MIS Transition are based on information and some future market perceptions of the Deed Administrators. Macquarie has proposed the MIS Transition, but has not disclosed its modelling of performance or projected returns. If the MIS Transition is the preferred sale option, MAAML will undertake due diligence in respect of the Scheme, and may decline to proceed. One consideration for MAAML will be whether the Growers support the Scheme under its management, as a lack of support will make the Scheme unviable. The Deed

Administrators are currently unable to provide a better estimate of returns than is contained in this Supplementary EM.

- Whilst the terms of the Implementation Deed are confidential, a summary has been provided to the FEAP Committee of Inspection (“COI”). The FEA Growers Group and various Financial Advisors have also been provided with explanations of the EM at the financial advisors meetings in Brisbane, Melbourne and Launceston, and two Growers Online Information Sessions.
- Growers are not required to submit new proxies in order to vote at the resumed Scheme Meeting, but are free to do so, or to withdraw any proxy lodged in respect of the first session. Proxies lodged for the first session remain effective unless withdrawn or replaced. Any change of proxy must be lodged by 8:00 am on 9 November 2013.

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Introduction

The resolutions the subject of this Supplementary EM reflect financial imperatives in relation to the Scheme which are, in many respects, independent of any projection of return to Growers.

Negotiations to reach a settlement of protracted litigation with the Secured Creditors have now extended over a period of almost one year and as a consequence there is a need to consummate a settlement under which the Receivers and Sales Advisor select either the acceptance of One-Line Sale or the MIS Transition subject to MAAML becoming the New RE.

The commercial imperatives driving the need for a settlement now are matters which ought to be the primary subject of Growers' concerns. They are, in our view, more important than the particular financial projections or the possibility of estate enhancement that may be provided by any external consultants. The process of achieving settlement by the Deed Administrators has included regular Meetings with the Committees of Inspection of both FEA and FEAP over the last three and a half years (there have been around 40 Committee of Creditors and COI Meetings) and regular communication with the FEA Growers Group, which represents Growers and Financial Advisors advising Growers, and who continue to maintain an interest seeking to ensure a maximum recovery on behalf of their clients.

Further Information about the Settlement Proposal Return Estimates

Revision of Estimated Returns

To explain the effect of the Settlement Proposal, the Deed Administrators have sought to project the returns to Growers in different schemes under the different sale options, One-Line Sale and MIS Transition. We set out projections in the Original EM, and have now revised those projections.

The projections are an indication of the return we estimate you may obtain under the Settlement Proposal. We have had to make assumptions about the current state of the plantations and about future events in arriving at these projections. Our assumptions are based on information available to us and perceptions of future potential increases in net stumpage rates. Growers must understand that the process of projection is inherently uncertain, as it is likely that some or all of the facts we have assumed will not occur.

It should be noted that, while the projections provide information about projected returns, the decisions as to which option will proceed is one for the Receivers and Sale Advisor. Furthermore, while we have provided on-going updates as to projected returns, it should be remembered that if the Settlement Proposal does not proceed, we do not expect there will be a significant return to any party other than the Secured Creditors.

We have not obtained an Expert Valuation of the Land or of the Timber. We believe other parties, including the Receivers and Sale Advisor, Gresham, either have or are obtaining such valuations. However, no valuation has been provided to the Deed Administrators.

In formulating the projections, the Deed Administrators have placed reliance on modelling of the timber value reflected in a "Woodstock" model dated 24 January 2013. Woodstock is a sophisticated timber crop harvest optimisation program which provides an indication of value as part of the optimisation process, although we do not understand it to be a model primarily developed for valuation purposes.

Woodstock is based on assumptions about the many factors that bear on optimisation. Some of these are intrinsic to a plantation, such as timber growth rates, and the effect of favourable or unfavourable growing conditions. These are factors which can be "calibrated" by physical assessment of the plantations, however our assessment is based on a January 2013 model, and will reflect older "calibration". The Deed Administrators have not had access to the plantations on Internal Land that would allow us to undertake calibration.

The Woodstock value projection has been modified at the direction of the Deed Administrators to reflect assumptions about:

- The current "depressed" state of the market for the plantations' output;
 - An expectation of return to "normal" prices for that output in future years;
 - The effect of deferral of some harvesting;
-

- Removal of some External Lease areas that have lapsed as unviable; and
- Potential disputed plantation ownership.

We are able to, and have, modified some other assumed variables such as projected cartage costs but are not able to verify other variables, such as the volume and distribution of the timber stock. These variables could impact the overall timber valuation, although we are unsure whether they would increase or decrease the value.

Critical to the Woodstock model is the physical rate of growth of trees (referred to as the MAI, or Mean Annual Increment of tree growth) over time. The 1995 – 2001 FEAP Schemes predominately comprise E. Nitens, or Shining Gum, hardwood timber. E. Nitens is a fast growing timber for use for the production of writing paper, whereas another species, ‘E. Globulus’, or Tasmanian Blue Gum, is of higher quality. The FEAP plantations contain little Globulus.

The Deed Administrators understand the Receivers are undertaking a further harvest model using Woodstock but it will not be available to them or Growers before the Scheme Meeting resumes. It is expected to be available for consideration by the Receivers before any decision is made about whether to sell by One-Line Sale or MIS Transition.

Expected Date of Return under MIS Transition

If the MIS Transition proceeds, returns to Growers are only expected to be available over an extended period of time, reflecting the release of sale proceeds from harvest of the trees. Growers should be aware that it may be a number of years before all trees are harvested.

Estimated Timber Prices

Low Projections for both One-Line Sale (in respect of trees on external land only) and MIS Transition options assume a gross average AUD timber price per cubic metre as detailed below. Prices obtained by FEAP are frequently expressed as being gross stumpage returns assumed to equate to a per “tonnage” rate or gross cubic metre rate of return:

October 2013 Gross Stumpage Tonnage Rate	Gross Stumpage Rate per m3				
	FY2014	FY2015	FY2016	FY2017	FY2018 and beyond
\$49	\$60	\$60	\$65	\$70	\$75

Gross stumpage returns have varied from \$42.50 to \$49.00 per tonne until October 2013. Lower rates negotiated to September 2013 have been included in Woodstock modelling projections. Gross return rates have been improving for a variety of reasons where the modelling may include a degree of optimism in the current year of \$60 per cubic metre. There is an expectation that higher rates of return will be achieved by 30 June 2014

High Valuations for both options assume a gross average timber price of \$75 per cubic metre from FY2014 and onwards until clearfall harvesting.

In estimating returns under both One Line and MIS transitions, nominal prices are assumed to be constant for the purpose of model simplification.

Estimated Return to Growers

On the basis of the assumptions made above, we now project the return to Growers in this Scheme will be as shown in bold in the table below.

Projection		Estimated Return Per Woodlot					
		One Line Sale		MIS Transition Option 1		MIS Transition Option 2	
		Low	High	Low	High	Low	High
Original EM	Gross Distribution as per Original EM	133	362	1,348	1,560	1,348	1,560
	Less: Required Grower Contributions to New RE to Clear Fall Harvest	-	-	(471)	(471)	(434)	(434)
	Estimated Net Distribution	\$133	\$362	\$877	\$1,089	\$914	\$1,126
Supplementary EM	Estimated Net Distribution	\$134	\$321	\$1,058	\$1,090	\$1,103	\$1,134
<i>Variance</i>		<i>\$1</i>	<i>(\$41)</i>	<i>\$181</i>	<i>\$1</i>	<i>\$189</i>	<i>\$8</i>

The differences in the revised projection in this Supplementary EM to that in the Original EM come from:

- o Showing the *net* as opposed to *gross* projected return. The net return is after deducting the projected contributions to MAAML to clear fall harvest;
- o Higher projected volume and prices of timber to be harvested, the result of deferral of harvesting over the past year in the face of depressed prices
- o Changes in the projected Administration and Legal Fees, reducing this overhead overall;
- o Revised assumptions about the financial performance of the Scheme between now and the date when the One-Line Sale or MIS Transition will be achieved; and
- o Allocation of some Scheme expenses shared between different Schemes on a more equitable basis.

New and changed fees, costs, expenses and other amounts set out in the Original EM**Applicable only in MIS Transition**

New charges and changes to fees and other amounts payable by Growers only arise under the MIS Transition process.

The fees structure proposed by the New RE is summarised below. The New RE is entitled to charge the Growers of this Scheme the following amounts:

Fee Table 1

Fee Item	Unit	CPI Indexed	Amount
Initial Contribution	per woodlot	No	100.00
Management Fee	per woodlot/per annum	Yes	50.00
Lease Fee – Ongoing Members	per woodlot/per annum	Yes	33.33
Lease Fee – Prepaid Members	per woodlot/per annum	Yes	25.00
Fixed Management Fee*	per ha	Yes	900.00
Sales Proceeds Fee*	%	No	12.5%

* These fees have been factored into the gross distribution figure in the table of Estimated Return to Growers

This fee structure is based on a Grower's woodlot size being one third of a hectare.

The New RE has the discretion to charge a lower amount and to reduce any future fees. Growers should note that all fees will initially be charged on the basis of the figures set out in the table above, but that the New RE may offset a portion of the amounts received against future fees when a Grower's woodlot size has been reduced to an area smaller than a third of a hectare.

Original Hectares	Continuing Hectares	Proportionate Hectares Continuing	Original Woodlot Size (ha)	Initial Adjusted Woodlot Size (ha)
1,318.60	1,169.40	89%	0.33	0.29

The table reports that only 1,169.40 ha, 89% of the Original Hectares (1,318.60 ha) is projected to continue as the area of the Scheme. Consequently each Grower's woodlot size will fall from the current 0.33 ha to 0.29 ha.

This reduction is caused by NSW and QLD properties being excluded from the Scheme. Those areas have been assessed as economically unviable.

As Growers' returns under the existing Schemes depend on the share of the total Scheme recovery rather than a return from any particular woodlot, the effect of the removal of those woodlots is shared pro rata.

The New RE has discretion to charge a lesser amount, or reduce any future fees receivable (akin to a credit for previous fees received). The New RE has expressed an intention to exercise such discretion in relation to the Annual Management Fee and Annual Lease Fees, where each Grower's woodlot corresponds proportionally to substantially less than one third of a hectare of the Continued Area. The New RE has expressed an intention to exercise the discretion to charge a lesser amount where the Continued Area is reduced due to harvesting, and the discretion to credit certain proportions of amounts received where the Continued Area is reduced in other circumstances.

As a result of the reduction in woodlot sizes, a 2001 Grower's Annual Management Fee may fall after the first year to as little as \$44.50 per woodlot (\$50 x 89%).

In some circumstances, the New RE may forfeit some Growers from the Scheme for non-payment of contributions. In this case, depending on the extent of the woodlots subject to forfeiture, the remaining Growers' woodlot size may increase, in which case, on-going contributions will also increase.

Regardless of the extent to which defaulting Growers' interests are forfeited, the New RE may not charge a higher fee than displayed in Fee Table 1, provided its budget is not exceeded. It is important to note, that as each Growers' woodlot size increases, the estimated returns increase.

The Deed Administrators, the current RE or the New RE may however reduce the Continued Area notwithstanding that those properties may be economic if woodlots have been forfeited to ensure that each Grower's woodlot does not represent proportionately more than one third of a hectare of the Continued Area, or a lesser amount to reflect properties harvested.

Growers who have arrears will be charged 14.9% per annum (computed daily) on their arrears. The basis for this interest charge is that the New RE will have the obligation to fund Scheme expenses (e.g. Lease and Management fees) without receiving contributions from all Growers.

Details of risks involved in the Settlement Proposal

Additional Key Risks under the MIS Transition

Various risks associated with the agricultural managed investment scheme and restructure of your scheme were identified on pages 9 and 42 of the Original EM and in its original Prospectus or Product Disclosure Statement.

The following risks may also adversely affect the value of your investment and the estimated return to Growers of this Scheme.

A. Timber price risk

The timber being grown on the Woodlots as part of your Scheme is predominantly, if not entirely, expected to be harvested and turned into woodchips for export to pulp and paper manufacturers, predominantly in Japan and China.

Growers' returns are strongly related to the prices received from the sale and/or disposal of timber produced by the Scheme. Small increases in the underlying price received for the timber have the potential to significantly increase overall investment returns, and similarly reduce returns if prices fall.

The following factors, among others, may impact the return on your investment:

- Future economic conditions which changes the global demand or supply of woodchips
- New technologies which result in reduced use of paper, paperboard or other wood products

- Increased availability of woodchips produced by countries with lower production costs than Australia
- As woodchip importers from different countries have historically paid different prices, the origin of demand of your woodchips may affect the price received. In particular, there has been an increasing amount of recent purchases from Chinese woodchip importers at prices below the long-term average and below the prices that have been historically received from Japanese woodchip buyers
- There are currently a number of motivated sellers in the Australian woodchip export market, that may have the effect of depressing prices.

It is not known whether the factors influencing the current prices of Australian woodchips, which are below their long term average, will continue into the future or abate. Should difficult market conditions continue into the future for Australian hardwood woodchip exporters, your investment returns will be negatively affected.

B. Foreign exchange risk

Most global trade of hardwood woodchips between purchasers and suppliers is made in US dollars. Consequently, currency price fluctuations between the Australian dollar and the US dollar, relative to other major currencies against the US dollar, will influence the cost competitiveness of Australian supplied woodchips. FEAP is currently selling timber in Australian dollars which may be affected by movements in global US dollar price movements in sale price.

A depreciating Australian dollar has the potential to increase Australia's cost competitiveness, whilst an appreciating Australian dollar is likely to have the opposite effect.

The strength of the Australian dollar relative to the USD over the last two years has made trading conditions very difficult for Australian hardwood woodchip suppliers. As a number of more recent Australian hardwood woodchip export contracts have been negotiated using USD woodchip prices as a benchmark, the high Australian dollar has resulted in a lower return to Australian exporters in Australian dollar terms. Continued strength in the Australian dollar between now and the projected time of harvest and/or sale of the timber is likely to make trading conditions difficult and this has the potential to negatively impact your returns.

Members should note that future currency prices will fluctuate and may be volatile, and it is the price of the Australian dollar relative to the US dollar around the time of harvest and sale, which is most relevant to your investment.

C. Access to infrastructure risk

The availability of processing plants within an economic haulage distance from the Continued Area for a Scheme is one factor that can affect a Grower's returns. Whilst there are currently multiple, established timber processing facilities in Tasmania for processing harvested logs, there is no assurance that such facilities will be available for processing and exporting your timber at the time of harvest.

To the extent such facilities are not available, this may impact the ability to harvest and process your timber for sale to third parties, which can negatively impact returns.

D. Yield and quality risk

Timber yields and quality may be affected by factors including land and soil type, rainfall conditions or other environmental factors. Timber yield and quality may also have been affected by the forestry practices adopted by the managers previously responsible for establishing and maintaining the plantation area. The amount of merchantable timber volume produced by the Scheme will have a large impact on the overall levels of Member returns. Generally speaking, the higher the merchantable volume produced, the greater the overall potential returns.

Analysis has been based on the Woodstock information received. Actual timber yields and quality may differ.

Growers however need to be aware that it is unlikely that growth rates will meet the original expectations at the time of initial investment in the Scheme.

E. Environmental risk

Fire, drought, disease, flood, pests, frost, windstorm, hail, below average rainfall and other events of nature may affect the financial performance of the Scheme. The risk associated with the above environmental factors may be increased or decreased due to climate changes over the term of the investment.

It is impossible to predict the long-term effects and risks of climate change on forestry generally.

These factors may also be impacted by the level of maintenance of the forestry estate to date.

F. Fire risk

There is no statutory requirement to conduct fire break maintenance over properties in Tasmania, and it is understood that the Current RE, FEAP, has conducted limited firebreak maintenance over your Scheme area in recent months. This has the potential to increase the risk of damage or destruction of the Continued Area of your Scheme in the event of a fire.

For the period from 1 October 2014 Growers will also need to elect whether they wish to be insured against fire and/or other insurable damage to the Continued Area. If you do not take out insurance, you will not be compensated for any damage or destruction of any of the Continued Area.

G. Regulatory risk

Future changes to legislation, including legislation covering the operation of commercial forest plantations, may affect the financial performance of your investment.

H. Loss of investment risk

Growers who are required to make Initial Contributions and Annual Lease Fee and Management Fee payments will be required to meet this obligation as and when it becomes payable. These will be full recourse obligations meaning the New RE will be able to pursue Growers for recovery of these amounts to the full extent permitted by law.

Growers who default on their fee obligations face the risk that they may lose their investment in the Scheme. Please refer to Part B of EM dated 23 September 2013 for further information on default. For this reason, it is important that all Growers meet their payments obligations. If a number of Growers default, this could materially impact the viability of the Scheme and could lead to the New RE considering whether to wind-up the Scheme earlier than anticipated.

Amendments to Business at the Meeting

In reviewing the proposed Scheme reconstruction documentation, several improvements or corrections to the proposed Resolutions and proposed Constitution have been identified. These will be put to the meeting from the chair as amendments to the resolutions.

The amendments deal with an issue about whether the Operative Date might, arguably, due to the drafting of the Implementation Deed, never occur; and to correct certain "base percentages" used in calculating the apportionment between the schemes of the proceeds of a One-Line Sale and the Discontinued Schemes Payment; and to clarify the calculation of the Discontinued Schemes Payment.

Special proxies lodged in respect of the resolutions will be treated as general for the purpose of the amendment and the vote on the resolutions as amended. The Chairman, who holds most of the special proxies, proposes to exercise the general proxies as if they were specific directions.

The amendments are:

Amendment 1, to Resolution 2:

Omit “Operative Date (as that term is defined in the Explanatory Memorandum)” and replace it with “date on which the Implementation Deed (as that term is defined in the Explanatory Memorandum, and as amended by the parties from time to time) becomes unconditional”

Amendment 2, to Resolution 2:

In clause 5.11 of the draft Constitution, omit the schedule, and replace it with:

Scheme	Share (%)
<i>Tasmanian Forests Trust No 3 (ARSN 093 165 005)</i>	1.73%
<i>Tasmanian Forests Trust No 4 (ARSN 093 165 103)</i>	2.90%
<i>Tasmanian Forests Trust No 5 (ARSN 093 165 050)</i>	2.73%
<i>Tasmanian Forests Trust No 6 (ARSN 093 165 327)</i>	8.41%
<i>Tasmanian Forests Trust No 7 (ARSN 093 164 866)</i>	60.06%
<i>Tasmanian Forests Project 2000 (ARSN 092 500 984)</i>	18.97%
<i>Australian Forests Project 2001 (ARSN 094 614 678)</i>	5.20%

Amendment 2 reflects an adjustment in the percentages of the share of the value of the total estate attributed to each Scheme. It reflects the projected value of the timber, modelled as described in this Supplementary EM and in the Original EM. It accords substantially with the bases adopted in the Original EM, which the shares used in the current schedule to clause 5.11 do not, because of clerical error.

Important Notices

About this Supplementary Explanatory Memorandum

This Supplementary Explanatory Memorandum dated 1 November 2013 must be read in conjunction with the Original EM dated 23 September 2013. It relates to resolutions to be considered at the continuation of a meeting of Growers of the Australian Forests Project 2001 Managed Investment Scheme operated by the FEA Group which began on 17 October 2013 at 1.00 pm and which has been adjourned to 11 November 2013 or at any date to which it is further adjourned. The contents and comments made in the Original EM should be considered valid and unaffected unless otherwise dealt with in this Supplementary EM.

Growers to seek own advice

The Original EM and this Supplementary EM do not take into account the individual investment objectives, financial situation and particular needs of Growers or any other person. Nor does it give Growers tax advice, including in relation to any GST, stamp duty or CGT impacts of the Settlement Proposal on Growers. Accordingly, it should not be relied upon as the sole basis for any decision in relation to the Settlement Proposal.

Growers are encouraged to read this Supplementary EM in conjunction with the Original EM together with the Notice of Meeting in its entirety before making a decision as to how to vote at the Meeting.

If you have any doubt as to what you should do once you have read the EM dated 23 September 2013 and this Supplementary EM, you should consult your legal, tax, financial or other professional adviser.

YOUR VOTE IS CRUCIAL

- **The Scheme Meeting will resume at 1:00 pm on 11 November 2013 at The Grand Chancellor Hotel, 29 Cameron Street, Launceston, Tasmania 7250.**
- **The Growers will vote on the three Resolutions set out in the Notice of Meeting and explained in the Original EM, dated 23 September 2013 and on the amendments listed in this document.**
- **Growers who have already voted and who do not wish to change their vote are not required to submit new proxies.**
- **If you wish to withdraw or amend your previous proxy, please do so by no later than 8:00 am on 9 November 2013.**
- **If you have not yet lodged a proxy, you are welcome to do so before the 8:00 am on 9 November 2013**

From time to time, further important information may become available – please visit our website to register your details with us at www.briferrier.com.au so that you can be provided electronic updates.

Revised Proxy Lodgement Instructions

- Revised Proxy Forms must be lodged and received by 8:00 am on 9 November 2013 in the following manner:
 - 1. by mail to:**

FEA Plantations Limited (Subject to Deed of Company Arrangement) (Receivers Appointed)
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia
 - 2. by email:**

scan and email (Proxy Form Only) to:
fea@linkmarketservices.com.au
Grower enquiries to Link Market Services Limited will not be dealt with. Please direct your enquiry to the FEA Team at BRI Ferrier (NSW) Pty Ltd.
 - 3. by hand:**

Link Market Services Limited,
1A Homebush Bay Drive
Rhodes NSW 2138