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12 August 2011

Michael Johns
Maddocks
By email michael.johns@maddocks.com.au

Dear Mr Johns

**LETTER TO GROWERS ISSUED BY RECEIVERS OF FOREST
ENTERPRISES AUSTRALIA LTD**

My clients have become aware that on 8 August 2011 your client wrote to Growers individually. My clients have received copies of some of those letters - for example a letter addressed to [REDACTED]. A copy of that letter is attached.

My clients assume that similar letters have been written to all Growers in the schemes up to and including the scheme up to and including Tasmanian Forest Trust No. 7 as it was those schemes in which it is contended that Growers had leases directly from FEA as opposed to FEAP.

As your client well knows:

- 1 The Deed Administrators have at all times contended that from 2000 onwards leases held by Growers in relation to the early schemes that is those prior to 2000 were held by FEAP directly from Tasmanian Plantation, not FEA. In that context I refer you to the standard head lease of 30 June 2000.
- 2 In any event your clients are also well aware that the established practice of the FEA group was that FEAP collected rent and arranged for it to be remitted to FEA presumably as either Manager under the Head Management Agreement or Custodian under the Custody Agreement (and thereafter to Tasmanian Plantations) through loan accounts. Both those agreements are now terminated. That is a long established practice which in part recognised the role of FEAP as responsible entity acting on behalf of the Growers who acquired wood lots in each of the schemes. Indeed the introduction of the 2000 standard lease coincided with the introduction of the managed investment scheme concept and the role of FEAP as responsible entity.

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One also assumes that similar letters may have been written to Growers who in fact discharged their entire rent obligation at the time of subscribing to be members of the schemes.

A further issue of concern is that your clients are on the one hand demanding money from Growers in circumstances where you suggest that the head lease held by FEA may be terminated and, in consequence, the Growers' lease also terminated.

All these propositions are highly misleading and the Deed Administrators require your clients to:

- 1 Desist forthwith from any further communications along these lines with Growers and
- 2 Write to Growers to whom letters may have been sent withdrawing the assertions set out in those letters.

Kindly confirm by return that both these steps will immediately occur.

You should also be aware that the various purported termination notices relating to schemes up to and including the 2002 schemes are defective as they assume a right to give notice by FEA, an entity which has no right to give such notice.

All of FEAP's rights and those of the Deed Administrators are expressly reserved.

Yours sincerely



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