

MEDIA RELEASE

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CREDITORS BACK PLANTATIONS RESTRUCTURE

Creditors of FEA and FEA Plantations have thrown their support behind proposals for each company to continue to operate via a Deed of Company Arrangement.

At separate meetings in Launceston today, investors voted in favour of a recommendation from Administrators BRI Ferrier that negotiations for restructuring the Managed Investment Schemes be allowed to continue.

The objective of each Deed of Company Arrangement is to enable the companies to continue negotiations with both creditors and external parties with the objective of restructuring the FEA Group's affairs to maximize returns to various groups of creditors.

Mr Brian Silvia, one of the Joint Administrators of the FEA Group, said:

"Discussions with proponents for restructuring the Group and the Managed Investment Schemes are continuing where an Implementation Deed is currently being negotiated by the relevant stakeholders.

"This will enable the restructure to be implemented within a four to five month time frame.

"It represents the first step to achieve a successful restructure for the FEA Group and the Managed Investment Schemes."

BRI Ferrier was appointed Administrators after Directors placed FEA Plantations Limited in Voluntary Administration along with Forest Enterprises Australia Limited, Tasmanian Plantations Pty Ltd and FEA Carbon Pty Ltd on 14 April.

The banks placed the companies except FEA Plantations Limited in receivership on 14 April.2010, The banks subsequently appointed Receivers to FEA Plantations Limited on 3 June 2010. However, jurisdiction for FEAP's forestry investment projects remained with BRI Ferrier.

The plantations, covering 75,000 hectares of hardwoods in Tasmania and Northern NSW, involve 11,000 growers who invested in 16 FEAP schemes.

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