

URGENT GROWER UPDATE

FOREST ENTERPRISES SCHEMES 1995 to 1999

12 August 2011

FEA PLANTATIONS LIMITED ("FEAP")

(SUBJECT TO A DEED OF COMPANY ARRANGEMENT)(RECEIVERS APPOINTED)

ACN 055 969 429

FOREST ENTERPRISES AUSTRALIA LIMITED ("FEA")

(SUBJECT TO A DEED OF COMPANY ARRANGEMENT)(RECEIVERS AND MANAGERS APPOINTED)

ACN 009 553 548

Peter Krejci and I are the Deed Administrators of FEAP.

You may have received a letter from the Receiver and Manager of FEA dated 8 August 2011, Mr Tim Norman of Deloitte. We understand the letter was sent to Growers in FEA Schemes 1995 (Trust 3) to 1999 (Trust 7) claiming payment of rent said to be overdue for the period to 30 June 2011, in respect of which FEAP, the Responsible Entity for those Schemes, has previously invoiced Growers.

Mr Norman is appointed by the Secured Creditors of FEA, Commonwealth Bank of Australia and ANZ Banking Group.

In his letter, Mr Norman says Growers in these FEA Schemes owe rent directly to FEA and that FEAP was wrong to invoice and collect Grower contributions. Mr Norman knows that, at best, his assertions are disputed. We, the Deed Administrators of the Responsible Entity, the company which manages the Schemes and which owes Growers duties to carry the schemes out, say he is wrong and have written to Mr Norman's solicitors saying so and explaining why. Principally, Mr Norman overlooks the nature of changes made to the Schemes in 2000 to comply with changes in the Corporations Act. The FEA Grower Group has separately written to the Receivers through their solicitors. Copies of both our and the Grower Group's letters will be available on the BRI Ferrier website (www.briferrier.com.au) from Monday.

Mr Norman's letter purports to require payment within 21 days, that is by 29 August 2011, and to threaten that non-payment could result in forfeiture of your Grower Lease. Mr Norman also says (again, we say, wrongly) that there are material breaches under a Head Lease of the land which has been sub-let to Growers, so that payment of rent may not prevent forfeiture.

Ferrier (Chairman) | Green | Krejci | Silvia | Hodgson (Consultant)

BRI Ferrier (NSW) Pty Ltd Chartered Accountants ABN 97 128 947 848

Trading as BRI Ferrier ABN 59 212 882 443

Level 30, Australia Square, 264 George Street, Sydney NSW 2000 GPO Box 7079, Sydney NSW 2001

T 02 8263 2300 F 02 8263 2399 info@briferriernsw.com.au www.briferrier.com.au

BRI Ferrier...throughout Australia

BRI Ferrier is an association of independent accounting firms. Each of the member firms is a separate and independent legal entity operating under the name "BRI Ferrier" or related names.

We understand that Mr Norman's letter has caused considerable confusion and concern among Growers, and consider this regrettable. Indeed, we consider Mr Norman's letter risks misleading Growers about their rights.

We are preparing a longer report to Growers which will be circulated late next week. In the meantime, we suggest Growers ignore Mr Norman's letter.

Yours faithfully
FEA Plantations Ltd



for

BRIAN SILIVA
Deed Administrator