

# First Report to Creditors



Forest Enterprises Australia Limited and  
Subsidiaries  
(Administrators appointed)  
Report 16 April 2010

**Brian Silvia, Peter Krejci and Mat Muldoon Administrators**

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## 1 APPOINTMENT INFORMATION

On 14 April 2010 Brian Silvia, Peter Krejci and Mat Muldoon of our firm were appointed Administrators of:

- ▲ Forest Enterprises Australia Limited (“FEA”).
- ▲ FEA Plantations Limited (“FEA Plantations”).
- ▲ FEA Carbon Pty Limited (“FEA Carbon”).
- ▲ Tasmania Plantations Pty Limited (“TP”).

(together the “FEA group companies”)

The appointments made pursuant to Section 436A of the Corporations Act (“the Act”) followed resolutions passed at Meetings of each of the Companies directors. That followed the directors approaching us as to the potential appointment as Administrators on 13 April 2010.

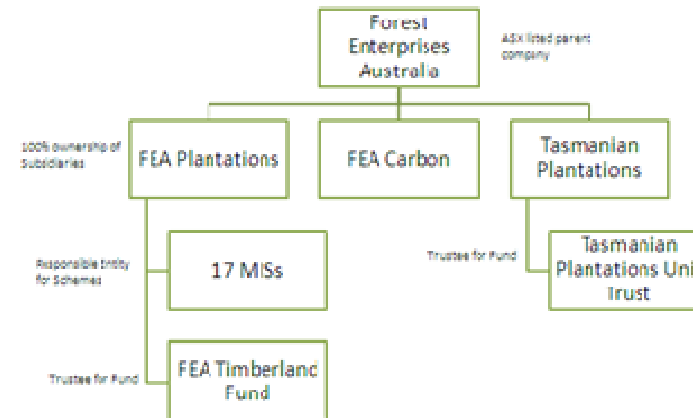
Following our appointment the Group’s financiers appointed Deloitte as Receiver & Manager/Mortgagee’s agent over :

- ▲ Forest Enterprise Australia Limited and
- ▲ FEA Carbon Pty Limited. (Receivers)
- ▲ Tasmania Plantation Pty Limited (Mortgagee in Possession).

## 2 COMPANY INFORMATION

### 2.1 Group Structure

The group structure is as follows:



### 2.2 Background Information

- ▲ The FEA group of companies were established in 1985 operating as saw millers, forest plantation growers and Managed Investment Schemes (“MISs”) operators.
- ▲ The public (circa 13,000 investors) invested in 17 MISs.
- ▲ FEA Plantations as the Responsible Entity for the MIS’s entered into agreements with each investor in relation to their wood lot investments relating to issues of management.

- ▶ FEA Plantations leased all properties on which forestry MISs were operated, either from group companies or approximately 300 external property owners.
- ▶ Day to day forestry management was undertaken by FEA on behalf of FEA Plantations. FEA in turn employed all group staff who have been physically responsible for every aspect of the administration of each forestry scheme.

### 2.3 FEA Group Assets

The assets of the group consist of:

- ▶ Land holdings on which the MIS's operated.
- ▶ Growers loan book.
- ▶ The Bell Bay Saw Mill.
- ▶ Timber Plantations.
- ▶ Wood fibre exportation.

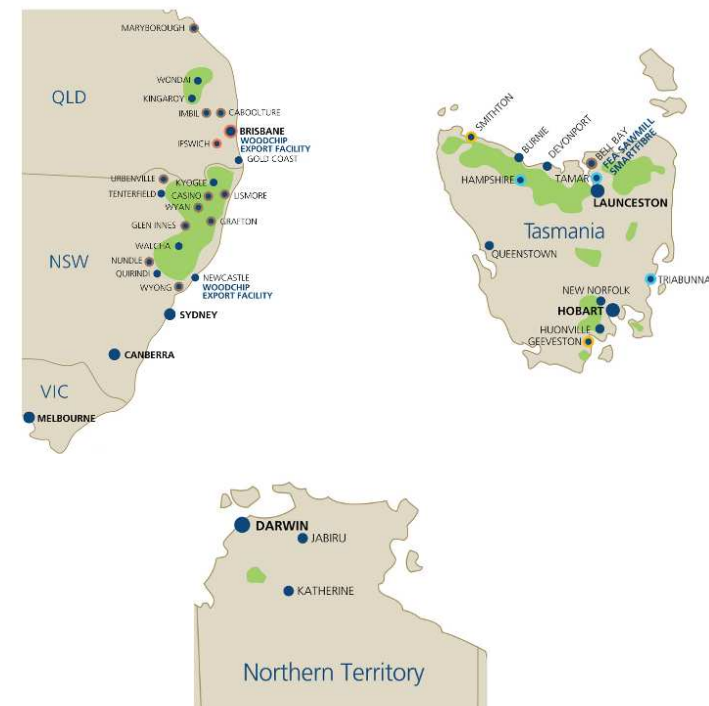
### 2.4 Employees

There are approximately 185 employees all of whom are employed by FEA. Detailed below is a breakdown of employees numbers and their roles:

|  |     |
|--|-----|
| Launceston Head Office                       | 30  |
| NSW - Lismore office and forestry operations | 30  |
| Bell Bay Saw mill                            | 120 |
| Sundry employees throughout Australia        | 5   |
|  | 185 |

### 2.5 Geographic Spread of Group

The geographic spread of the operations of FEA are detailed below:



## 2.6 Details of Managed Investment Schemes

Financial arrangements between FEA Plantations and the growers are varied ranging from:

- ▲ Schemes number 1 to 7 were based on growers being charged annually in arrears for forestry maintenance of their respective investments.
- ▲ Later schemes were principally based on investors not being required to contribute to annual forestry maintenance and lease costs where FEA Plantations accepted the responsibility of financing such costs being entitled to a share of the subsequent sale of timber.
- ▲ FEA Plantations is entitled to levy a range of specific charges in respect of activities undertaken for each of the projects. Specifically investors who had secured finance for their investment through FEA were required to maintain forestry insurance payable annually in advance.

## 2.7 Other Group Entities

- ▲ TP is a land owner for the schemes
- ▲ FEA Carbon is a climate change / carbon management business.
- ▲ FEA operated the Bell Bay saw mill details of which are:
  - Capitalised cost of circa \$70M.

- The saw mill experienced significant start up commissioning problems.
- The financial performance of the mill (currently set up for softwood as opposed to the hardwood as grown by FEA Plantations) is dependent upon third party log sources. It is said to be a “state of the art facility” and operating marginally above break-even. This is a function of world pricing (currently improving) and volume throughput.
- The facility’s performance has also been significantly impacted by the effect of the global financial crisis where the demand for timber both nationally and internationally has fallen significantly. This has had an impact on the price which customers are prepared to pay for timber; in turn effecting the financial performance of the mill. The mill is likely to have enhanced performance with the prospect additional volume that can be processed through the mill.
- The failure of Timbercorp and Great Southern in mid-2009 adversely impacted companies in the sector and consequently investors interests in forestry managed investment schemes where the current “models” having regard to the GFC lost their validity. That is not to say the concepts of forestry management schemes in the longer term are not viable except that in the short term models as marketed in recent years are frequently unsustainable.

## 2.8 Sale of Assets

- ▲ We understand that there are some parties who may be interested in looking at the viability of restructuring the group's activities but where the current financial structure with growers will require reassessment if they are to survive.
- ▲ The Banks in appointing a Receiver are obviously concerned to secure repayment of debts owing to them of more than \$200 million. This is separate to financing which, we understand, CBA may have provided to some growers in respect to their initial investment. The Banks through their Receiver will develop a realisation strategy for the groups assets where some of them may be capable of being sold off separately without impact on remaining assets eg; it is possible to consider a sale of the saw mill operations unrelated to any continuing plantation operations.

## 2.9 Current Status

- ▲ FEA Plantations is largely without funds to continue to manage the forestry operations. The Receivers have verbally advised us that there are significant payments due on a monthly basis to companies under their control for rent in respect of group properties leased by FEA Plantations.
- ▲ The process of Voluntary Administration provides an initial period in which Administrators are not liable to pay certain outgoings such as rent but during which they are required to make a

decision as to whether or not they wish to remain in individual premises; subsequently becoming personally liable to pay rent for the duration of occupation.

- ▲ Failure to pay rent and / or to make an election as to the continuation of a lease normally results in a default. In the case of growers' investment in plantations the value of their investment could be significantly eroded and or indeed lost in some circumstances.
- ▲ It is the intention of the Administrators to apply to the Court early in the week beginning 19 April 2010 seeking an extension of the period in which they are required to make an election in respect of what is generally referred to as "decision period" issues.
- ▲ These matters whilst specifically relating to properties leased to group companies potentially may include:
  - Properties leased from third parties where six monthly payments of \$4.5 million are due in July 2010. There is an issue as to whether the Administrators are required to make a decision now in respect of the future occupation of the subject properties.
  - Agreements which exist between FEA Plantations and individual growers in respect of ongoing maintenance issues.
  - Continuation of FEA Plantations as the Responsible Entity for each of the schemes.

- The Forestry Management Agreement which exists between FEA Plantations and FEA.
- ▲ In relation to FEA, FEA Carbon and TP similar issues may arise. However the primary responsibility for these issues currently rests with the Receivers.
- ▲ At a practical level the Receivers have verbally indicated a desire to work with us in relation to the sale of group properties leased by FEA Plantations. In the alternative grower investors interests could be prejudiced should conventional landlord rights be enforced to the detriment of FEA Plantations as a tenant representing the interest of growers.

## 2.10 Financial Information

Detailed below is a summary of the group's financial position as reflected in the last financial audited accounts to 30 June 2009:

### INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

Forest Enterprises Australia Limited and its Controlled Entities

|  | Consolidated                      |                                   | Company                           |                                   |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|  | Year Ended<br>30-Jun-09<br>\$'000 | Year Ended<br>30-Jun-08<br>\$'000 | Year Ended<br>30-Jun-09<br>\$'000 | Year Ended<br>30-Jun-08<br>\$'000 |
| Revenue  | 152,487                           | 139,262                           | 137,361                           | 78,164                            |
| Other income   | 285                               | 25,879                            | 9,147                             | 5,030                             |
|  | <b>152,772</b>                    | <b>165,141</b>                    | <b>146,508</b>                    | <b>83,194</b>                     |
| Share of profits of associates and jointly controlled entities accounted for using the equity method | 641                               | 1,224                             | 641                               | 1,224                             |
| Forestry cost of goods sold  | (23,899)                          | (17,243)                          | (23,404)                          | (17,065)                          |
| Saw & chip milling cost of goods sold  | (44,192)                          | (13,100)                          | (44,091)                          | (2,684)                           |
| Forestry services expenses   | (51,247)                          | (34,420)                          | (48,219)                          | (33,021)                          |
| Forestry investment expenses   | (12,502)                          | (22,300)                          | (7,656)                           | (2,144)                           |
| Overhead expenses  | (20,290)                          | (14,098)                          | (11,306)                          | (10,349)                          |
| Finance costs  | (19,348)                          | (4,118)                           | (18,557)                          | (3,162)                           |
| Impairment of non-current assets   | (2,806)                           | -                                 | (4,474)                           | -                                 |
| <b>Profit / (loss) before income tax expense / (benefit)</b>   | <b>(20,871)</b>                   | <b>61,086</b>                     | <b>(10,558)</b>                   | <b>15,993</b>                     |
| Income tax (expense) / benefit   | 6,733                             | (17,519)                          | 3,466                             | (4,209)                           |
| <b>Net profit / (loss) for the year</b>  | <b>(14,138)</b>                   | <b>43,567</b>                     | <b>(7,092)</b>                    | <b>11,784</b>                     |
| Attributable to:   |                                   |                                   |                                   |                                   |
| Equity holders of the parent   | (14,229)                          | 43,567                            |                                   |                                   |
| Minority interest  | 91                                | -                                 |                                   |                                   |
|  | <b>(14,138)</b>                   | <b>43,567</b>                     |                                   |                                   |
| <b>Earnings / (loss) per share:</b>  |                                   |                                   |                                   |                                   |
| Basic (cents per share)  | (3)                               | 10.75                             |                                   |                                   |
| Diluted (cents per share)  | (3)                               | 10.64                             |                                   |                                   |



## BALANCE SHEET

AS AT 30 JUNE 2009

Forest Enterprises Australia Limited and its Controlled Entities

|   | Consolidated                      |                                   | Company                           |                                   |
|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
|   | Year Ended<br>30-Jun-09<br>\$'000 | Year Ended<br>30-Jun-08<br>\$'000 | Year Ended<br>30-Jun-09<br>\$'000 | Year Ended<br>30-Jun-08<br>\$'000 |
| <b>Current Assets</b>                             |                                   |                                   |                                   |                                   |
| Cash and cash equivalents                         | 16,565                            | 11,974                            | 13,004                            | 378                               |
| Receivables                                       | 24,154                            | 74,196                            | 21,183                            | 70,940                            |
| Other financial assets                            | 5,694                             | 70,177                            | 206,973                           | 246,015                           |
| Inventories                                       | 12,377                            | 8,665                             | 12,376                            | 8,651                             |
| Standing timber                                   | 2,467                             | 1,922                             | 1,152                             | 799                               |
| Current tax assets                                | 4,307                             | -                                 | 4,307                             | -                                 |
| Other   | 5,121                             | 4,392                             | 2,140                             | 2,164                             |
|   | <b>70,685</b>                     | <b>171,326</b>                    | <b>261,135</b>                    | <b>328,947</b>                    |
| Non-current assets classified as held for sale    | 107,380                           | 2,900                             | 37,380                            | -                                 |
| <b>Total current assets</b>                       | <b>178,065</b>                    | <b>174,226</b>                    | <b>298,515</b>                    | <b>328,947</b>                    |
| <b>Non-current assets</b>                         |                                   |                                   |                                   |                                   |
| Receivables                                       | 21,297                            | 76,711                            | 21,297                            | 76,711                            |
| Investments accounted for using the equity method | 3,599                             | 5,209                             | 3,599                             | 5,209                             |
| Other financial assets                            | 15,672                            | 11,959                            | 12,126                            | 12,628                            |
| Standing timber                                   | 20,963                            | 18,310                            | 10,233                            | 8,608                             |
| Property, plant and equipment                     | 117,418                           | 108,018                           | 105,445                           | 91,979                            |
| Investment property                               | 231,470                           | 271,767                           | 9,758                             | 6,268                             |
| Deferred tax assets                               | 2,170                             | 19,673                            | 17,157                            | 1,910                             |
| Other intangibles                                 | 1,801                             | 12                                | 1,801                             | 12                                |
| <b>Total non-current assets</b>                   | <b>414,390</b>                    | <b>511,659</b>                    | <b>181,416</b>                    | <b>203,325</b>                    |
| <b>Total assets</b>                               | <b>592,455</b>                    | <b>685,885</b>                    | <b>479,931</b>                    | <b>532,272</b>                    |

### Current liabilities

|   |                |                |                |                |
|---|----------------|----------------|----------------|----------------|
| Trade and other payables                | 37,529         | 102,216        | 31,510         | 92,498         |
| Short term borrowings                   | -              | 2,044          | -              | 2,044          |
| Current portion of long term borrowings | 208,349        | 2,109          | 208,349        | 2,109          |
| Other current financial liabilities     | 1,344          | 1,056          | 1,344          | 1,056          |
| Current tax payables                    | -              | 10,281         | -              | 10,281         |
| Other current liabilities               | 30,036         | 69,539         | 30,022         | 69,518         |
| <b>Total current liabilities</b>        | <b>277,258</b> | <b>187,245</b> | <b>271,225</b> | <b>177,506</b> |

### Non-current liabilities

|   |                |                |                |                |
|---|----------------|----------------|----------------|----------------|
| Long term borrowings                    | 1,534          | 137,668        | 34             | 125,168        |
| Other non-current financial liabilities | 10,139         | 344            | 10,139         | 344            |
| Deferred tax liabilities                | 9,918          | 37,234         | -              | 7,434          |
| Other non-current liabilities           | 2,301          | 1,854          | 2,301          | 1,854          |
| <b>Total non-current liabilities</b>    | <b>23,892</b>  | <b>177,100</b> | <b>12,474</b>  | <b>134,800</b> |
| <b>Total liabilities</b>                | <b>301,150</b> | <b>364,345</b> | <b>283,699</b> | <b>312,306</b> |
| <b>Net assets</b>                       | <b>291,305</b> | <b>321,540</b> | <b>196,232</b> | <b>219,966</b> |

### Equity

|                         |                |                |                |                |
|-------------------------|----------------|----------------|----------------|----------------|
| Share capital           | 179,804        | 179,701        | 179,804        | 179,701        |
| Reserves                | 560            | 7,368          | (927)          | 5,684          |
| Retained earnings       | 110,109        | 134,471        | 17,355         | 34,581         |
| Outside equity interest | 832            | -              | -              | -              |
| <b>Total Equity</b>     | <b>291,305</b> | <b>321,540</b> | <b>196,232</b> | <b>219,966</b> |

- ▲ Given current circumstances the financial statements may come to be totally unreflective of the group's ultimate financial position. The statements do not reflect the status of individual forestry MISs, historically reflected in annual reports issued to growers.
- ▲ The financial interests of growers and group creditors are intrinsically linked where a loss in investment for growers has the capacity to result in substantial damages claims against FEA Plantations with the potential to further impact the Group.

## 2.11 Purpose of Report

- ▲ This Report has been prepared for distribution to all group company creditors with the exception of Smart Fibre Pty Limited which is not in Administration. It has also been distributed to all investor creditors in recognition of the fact that each of them are potentially contingent creditors of FEA Plantations, possibly being entitled to vote at the first meeting of creditors to be held on Tuesday 27 April 2010.
- ▲ It is the intention of the Administrators to apply to the Court in the week beginning 19 April 2010 with a view to seeking resolution of two broad issues being:
  - An extension of “decision periods” relative to the Administrators adoption or otherwise a range of ongoing legal commercial arrangements. Specifically this relates to issues of lease terms payable on freehold property.
  - Directions from the Court as to the voting rights of FEA Plantations investors in relation to grower contingent creditor claims.
- ▲ Without wanting to inconvenience potential grower / investors contingent creditor claimants, it is our view to allow each of them to attend the first meeting of creditors. Depending on the outcome of the Directions sought from the Court they or certain of them will be entitled to attend and vote as creditors.

- ▲ Grower investors on arrival at the creditors meeting will be advised individually as to their status.
- ▲ Detailed in Section 4.24 of this Report are details of the forthcoming meeting

## 2.12 Growers

- ▲ Deloitte have not been appointed to FEA Plantations the operator of 13 continuing schemes.
- ▲ All grower queries should be directed to our office.
- ▲ We have recently released an update to growers on our website [www.briferrier.com.au](http://www.briferrier.com.au) If you cannot access this please contact our office on 1300 229 266

## 3 ADMINISTRATORS DISCLOSURES

### 3.1 Administrators Background

- ▲ BRI Ferrier is an Australia-wide affiliated independent insolvency firm. The firm is chaired by Ian Ferrier and has seven offices, 23 Principals and in excess of 160 staff.
- ▲ All Principals hold membership in:
  - Institute of Chartered Accountants of Australia.
  - Insolvency Practitioners Association of Australia.

- ▶ Brian Silvia is recognised throughout Australia as one of the leading insolvency practitioners with over 40 years' experience. He is often called upon by major corporations and financial institutions to resolve large complex matters with a speciality in property insolvency. His recent experience has included major corporate reconstructions and extensive dealings with "unlisted unrated debenture issuers" (property and investment mortgage lending financed by public investors) and property based MISs.
- ▶ Mat Muldoon is the agriculture practice group leader of BRI Ferrier. He has developed a significant practice in acting for financiers in relation to their distressed positions.
- ▶ Peter Krejci is an experienced insolvency practitioner who acts for corporations and financial institutions in relation to their recovery assignments.

### 3.2 Administrators Disclosure

- ▶ Attached as Annexure "1" is a copy of our Declaration of Independence, Relevant Relationships and Indemnities.
- ▶ We have not been provided with an indemnity from any party in relation to our appointments.
- ▶ Prior to the recent approach by the directors to us and our subsequent appointment (less than one day later) as Administrators none of our Principals nor we have had any

dealings with the FEA group companies its directors and senior management either socially or professionally.

### 3.3 Remuneration

- ▶ Calculation of our remuneration will be based on an hourly rate basis.
- ▶ The hourly rates as set by BRI Ferrier are generally below industry averages for such assignments. A copy of our charge rates is attached as Annexure "2".

### 3.4 Purpose of Administration

- ▶ Our appointment as Administrators automatically creates a Moratorium which restricts the rights of all creditors to take action against the companies to recover debts until conclusion of the Administration period.
- ▶ From an administrative perspective our role in relation to FEA, FEA Carbon and TP is superseded for the moment as a consequence of the receivership appointments. The Receivers are principally in control of the three companies activities.
- ▶ Administratively our principal role is to take control of FEA Plantations and to work in conjunction with Deloitte in relation to the other FEA group companies developing realisation and or reconstruction strategies for the benefit of all stakeholders.

### 3.5 Administration process

Generally two Meetings of Creditors are held during the Administration process to consider a Company's future. The purposes of the meetings include:

#### 3.5.1 First Meeting

The first meeting decides whether to:

- ▲ Appoint a Committee of Creditors
- ▲ If thought appropriate by creditors, remove the Administrators replacing them with alternate Administrators.
- ▲ The first meeting is required by statute to be held within eight business days following the appointment. It is difficult to provide creditors with a detailed financial analysis of the companies' affairs within these time parameters.

#### 3.5.2 Second Report to Creditors

The Second Report to Creditors includes the results of the Administrator's investigations into the companies affairs. Normally that report covers such issues as:

- ▲ Each company's financial position and the estimated value of asset realisations.

- ▲ Comparison of realisations under any Deed of Company Arrangement (if proposed) as against liquidation.
- ▲ The previous conduct of a company's business including consideration of antecedent transactions capable of being overturned should a liquidator be appointed.
- ▲ The possibility of insolvent trading.
- ▲ Consideration of enforceability of securities previously given.

#### 3.5.3 Second Meeting

- ▲ Following completion of our investigations into a Company's affairs we report to creditors on the findings of our investigations, likely realisations available to creditors and a recommendation to creditors on the strategy moving forward.
- ▲ Creditors will be provided with the report at least five business days prior to the Second Creditors Meetings, where we will recommend whether it is in the creditors' interest that:
  - An arrangement be entered into between Creditors and the Companies; or
  - The Administrations should end; or
  - The Companies should be wound up

## 3.6 Effect of Administration on Creditors

### 3.6.1 Trading

- ▲ As Administrators we are not trading any of the FEA group companies and **we will not be responsible for incurring any debt** unless confirmed in writing by us.
- ▲ Deloitte as Receiver & Manager are currently continuing trading activities of the group where we recommend creditors contact them in relation to ongoing trading on [fea@deloitte.com.au](mailto:fea@deloitte.com.au)

### 3.6.2 Consignment Stock, Retention of Title, Liens

- ▲ Any creditor claiming retention of title to any goods supplied to FEA group companies should direct their enquiries to Deloitte at [fea@deloitte.com.au](mailto:fea@deloitte.com.au)
- ▲ Under no circumstances are any goods to be removed from the FEA group companies without the written consent of the Deloitte pursuant to Section 440C of the Corporations Act 2001.

### 3.6.3 Contracts and Agreements

- ▲ Unless otherwise indicated we do not accept adoption of current contracts existing at the date of our appointment. We will advise relevant parties as to the status of any ongoing contracts as soon as possible. Creditors with ongoing arrangements (particularly FEA Plantations) should advise us of them so that they may be addressed.

- ▲ Responsibility for liabilities under any hire or lease arrangements will not commence until 21 April 2010, pursuant to Section 443B of the Act. The urgent advice and receipt of copies of contracts / agreements from lease and hire creditors, detailing property subject to such documentation would be appreciated.

- ▲ Deloitte in many instances will deal with all contract and agreement issues where creditors should contact them on [fea@deloitte.com.au](mailto:fea@deloitte.com.au)

### 3.6.4 Legal Proceedings

- ▲ Our appointment as Administrators automatically stays any current proceedings against FEA group companies.
- ▲ Creditors cannot commence or continue proceedings against the companies without our written consent or without leave of the Court.

## 4 INFORMATION FOR CREDITORS

### 4.1 Notice of Meeting

The majority of creditors reside in Launceston (except for FEA Plantations where growers reside throughout Australia). Given all circumstances we have decided it appropriate to convene the First Meetings of Creditors in Launceston.

Attached as Annexure “3” is a formal notice of Meeting of Creditors, which will be held on Tuesday 27 April 2010 at Albert Hall Convention Centre, 45 Tamar Street, Launceston, Tasmania. The meetings will all be held separately at the following times:

| Time    | Meeting                              |
|---------|--------------------------------------|
| 9.00am  | FEA Plantations Limited              |
| 12.00pm | Forest Enterprises Australia Limited |
| 2.30pm  | Tasmania Plantations Pty Limited     |
| 4.00pm  | FEA Carbon Pty Limited               |

**Growers are entitled to attend the FEA Plantations Limited meeting at 9.00am. Sign in for meetings will commence 30 minutes prior to the start of each meeting.**

**The meeting will also be broadcast live on the internet from the following website: [www.brr.com.au/event/65286?popup=true](http://www.brr.com.au/event/65286?popup=true) The website is not interactive. If creditors wish to vote at the Meeting they need to submit a proxy.**

- ▲ Creditors (including employees) of FEA, FEA Carbon and TP should note that whilst the day to day activities of those companies has been assumed by the Receivers that each of the creditors of those companies continue to be entitled to attend and vote at their respective first meetings of creditors to be held on 27 April 2010.

- ▲ Despite the limited scope of the First Meetings, they will provide creditors and investors an opportunity to discuss the affairs of FEA group companies and the likely effects of our appointment.
- ▲ Creditors will not decide the Companies future at the first meetings as those decisions will be made at the Second Meetings of Creditors.

## 4.2 Creditor Forms

- ▲ Attached as Annexure “4” is a document titled “Insolvency Information for Directors, Employees, Creditors and Shareholders”, which has been produced by ASIC, in conjunction with the Insolvency Practitioners Association of Australia. The purpose of this document is to inform creditors of their basic rights in an insolvency administration.
- ▲ Also enclosed are forms which should be completed and returned to this office prior to the First Meetings of Creditors:
  - Proof of Debt Form – Annexure “5”
  - Proxy Form – Annexure “6”
- ▲ The Proxy Form should be used in the following circumstances:
  - Creditors who are unable to attend the Meetings but wish to appoint someone to vote on their behalf.

- Corporate representatives. In such cases the creditor Company should:
  - Execute the proxy under its common seal.
  - Have the proxy signed by 2 directors or by a director and the secretary or have the sole director, sign the proxy.
  - Have the proxy signed by someone authorised under seal, or by the directors, or sole director as applicable to sign, and if required by the Chairman of the meeting, provide evidence that the person signing the proxy form is empowered to sign.
- Proxies and Proofs of Debt in respect of creditors' claims should be submitted to our office prior to 10.00am on Friday, 23 April 2010, including those sent by facsimile on (02) 8263 2399 or email on [fea@briferriernsw.com.au](mailto:fea@briferriernsw.com.au)

### 4.3 Creditor Updates

- ▲ We will throughout the Administration provide Creditor and Investor Updates on our website in the Creditors Information Section. Our website address is: [www.briferrier.com.au](http://www.briferrier.com.au)
- ▲ Any information posted on our website will also be dealt with in Creditor Reports which will be forwarded to you.

### 4.4 Contact Details

- ▲ Phone: 1300 229 266
- ▲ Email: [fea@briferriernsw.com.au](mailto:fea@briferriernsw.com.au)
- ▲ Mailing: GPO Box 7079, Sydney NSW 2001
- ▲ Facsimile: 02 8263 2388
- ▲ Please contact our office if you have any queries in relation to the Administration.



**Brian Silvia**

Joint and Several Administrator for  
Brian Silvia, Mat Muldoon and Peter Krejci

## **Annexure 1**

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**Forest Enterprises Australia Limited  
Tasmanian Plantation Pty Limited  
FEA Carbon Pty Limited  
FEA Plantations Pty Limited  
(All Administrators Appointed)**

---

**Declaration of Independence,  
Relevant Relationships and  
Indemnities**

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**DECLARATION OF INDEPENDENCE,  
RELEVANT RELATIONSHIPS AND INDEMNITIES****FOREST ENTERPRISES AUSTRALIA LIMITED  
(Administrators appointed)  
(Receivers and Managers appointed)  
ACN 009 553 548****TASMANIAN PLANTATION PTY LIMITED  
(Administrators appointed)  
(Controllers appointed)  
009 560 463****FEA CARBON PTY LIMITED  
(Administrators appointed)  
(Receivers and Managers appointed)  
ACN 009 505 195****FEA PLANTATIONS LIMITED  
(Administrators appointed)  
ACN 055 969 429****Collectively referred to as the “FEA companies”****Independence**

We, Brian Raymond Silvia, Peter Paul Krejci and Mathew Campbell Muldoon have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as joint and several Administrators of the FEA companies. This assessment identified no real or potential risks to our independence. We are not aware of any reasons that would prevent us from accepting this appointment.

**Indemnities**

We have not been indemnified in relation to this Administration, other than any indemnities to which we may be entitled to under statute.

**Relevant Relationships**

Neither we, nor our firms, have or have had within the last 24 months, any relationships with the FEA companies or an associate of those members. We have identified the following relationship with CBA and ANZ Bank, which hold charges and mortgages over substantially the whole of the assets of the members of the FEA companies, as to which relationship we observe as follows:

| <b>Name</b>   | <b>Nature of Relationship</b>  | <b>Reason why not an impediment to our appointment</b>  |
|---|--|---|
| CBA Bank which has a security over substantially the whole of one or more of the companies in the FEA | We undertake work from time to time for banks and financiers.<br><br>Peter Krejci and Mathew | From time to time we have dealings with all the Australian trading banks, which can include appointments at their request.<br><br>We are not precluded by |

| Name   | Nature of Relationship   | Reason why not an impediment to our appointment   |
|--|--|---|
| Group  | <p>Muldoon have each been appointed Receivers and Managers of companies by CBA. Our colleagues likewise hold appointments from the banks and are on panels of practitioners appointed by the bank. The list of appointments is too extensive to reproduce here, but can be provided on request.</p> <p>We each have dealings with CBA and its subsidiary BankWest in the course of carrying out our duties in respect of other appointments.</p>   | <p>operation of the Corporations Act or the IPA Code of Professional Practice from accepting the appointments to the members of the FEA Group.</p> <p>This relationship will not impede our independence and will not influence or affect our ability to comply with our statutory and fiduciary duties as Administrators and/or Liquidators.</p>   |
| ANZ Bank which has a security over substantially the whole of one or more of the FEA Group | <p>We undertake work from time to time for various banks and financiers.</p> <p>Brian Silvia and Mathew Muldoon have each been appointed Receivers and Managers of companies by ANZ Bank. Our colleagues likewise hold appointments from the banks and are on panels of practitioners appointed by the bank. The list of appointments is too extensive to reproduce here, but can be provided on request.</p> <p>We each have dealings with ANZ in the course of carrying out our duties in respect of other appointments.</p> | <p>From time to time we have dealings with all the Australian trading banks, which can include appointments at their request.</p> <p>We are not precluded by operation of the Corporations Act or the IPA Code of Professional Practice from accepting the appointments to the members of the FEA Group.</p> <p>This relationship will not impede our independence and will not influence or affect our ability to comply with our statutory and fiduciary duties as Administrators and/or Liquidators.</p> |
| Australian Taxation Office ("ATO")   | <p>We and our colleagues undertake work from time to time on behalf of the ATO.</p>  | <p>We are on panels of practitioners maintained by the ATO. We are not precluded by operation of the Law or the IPA Code of Professional Practice from accepting the appointments the members of the FEA Group.</p>   |

| Name                               | Nature of Relationship   | Reason why not an impediment to our appointment  |
|------------------------------------|--|--|
| The directors of the FEA companies | We have no relevant relationships with the directors of the FEA companies or their associates. | This relationship will not impede our independence and will not influence or affect our ability to comply with our statutory and fiduciary duties as Administrators and/or Liquidators.<br><br>We first met the directors on 13 April 2010.<br><br>We have not provided advice to the directors beyond reviewing the position of the company and |

DATED      day of April 2010



.....  
Brian Silvia  
Administrator

On his own behalf and on behalf of, and at the direction of, Peter Krejci and Mathew Muldoon

NOTE: If circumstances change, or new information is identified, we are required under the IPA Code of Professional Practice to update this Declaration and provide a copy to creditors with our next communication as well as table a copy of any replacement declaration at the next meeting of the Company's creditors.

## Annexure 2

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**Forest Enterprises Australia Limited  
Tasmanian Plantation Pty Limited  
FEA Carbon Pty Limited  
FEA Plantations Pty Limited  
(All Administrators Appointed)**

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Schedule of BRI Ferrier Hourly Rate

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## BRI FERRIER (NSW) PTY LIMITED

### BUSINESS RECONSTRUCTION & INSOLVENCY SPECIALISTS

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The Insolvency Practitioners Association of Australia no longer provides a recommended scale of professional fees. This has necessitated the need for BRI Ferrier (NSW) Pty Limited ("BRI Ferrier") to develop its own fee schedule.

In preparing our fee schedule, BRI Ferrier has taken into consideration any guidelines and statements of best practice issued by the Australian Securities and Investments Commission and the Insolvency Practitioners Association of Australia in relation to the formulation of a scale of fees.

BRI Ferrier has formulated a fee schedule that is competitive. The formulation of fees takes into consideration the substantial labour and operating overheads of the firm.

BRI Ferrier has a computer based time management system that requires every staff member to record their time in six minute intervals. This ensures time costs are calculated accurately and in a timely manner. It also allows management to allocate the appropriate level of staff to complete tasks cost effectively.

The allocation of a staff member to a particular rate is determined by a number of factors including but not limited to qualifications, competence and level of experience.

The Experience/Qualifications provided below are intended only to be a guide. It is virtual impossible to give a description which will adequately cover all situations.

### FEE SCHEDULE (Excluding GST)

| Title                      | Experience/Qualifications   | Hourly Rate |
|----------------------------|---|-------------|
| Appointee/Senior Principal | Official Liquidator and or Trustee, with in excess of 10 years experience. Brings specialist skills and experience to the assignment.   | \$580       |
| Appointee/Principal        | Liquidator, with in excess of 10 years experience. Capable of controlling all aspects of an assignment.   | \$530       |
| Director                   | Minimum 10 years experience. Qualified and capable of controlling all aspects of an assignment. May have specialist industry knowledge and assists with all facets of assignment. | \$475       |
| Associate Director         | Minimum 10 years experience. Qualified and capable of controlling all aspects of assignments. Most likely has specialist industry knowledge and assists with specific tasks.      | \$420       |

|                       |   |       |
|-----------------------|---|-------|
| Senior Manager        | Minimum 8 years experience. Qualified and answerable to the appointee and is self-sufficient in completing and planning all aspects of large assignments.                   | \$395 |
| Manager               | Minimum 6 years experience. Typically qualified with well-developed technical and commercial skills. Controls and plans all aspects of medium to larger assignments.        | \$370 |
| Assistant Manager     | Minimum 5 years experience. Typically qualified with well-developed technical skills. Controls and plans multiple tasks on medium to large assignments.                     | \$315 |
| Supervisor            | Minimum 4 years experience. Typically qualified with sound knowledge of insolvency legislation. Assists to plan and control specific tasks on medium to larger assignments. | \$290 |
| Senior Accountant     | Less than 4 years experience. Typically graduate and undertaking qualifications. Able to complete multiple tasks on assignments with limited supervision.                   | \$265 |
| Accountant            | More than 2 years experience. Typically graduate and commencing qualifications. Capable of completing multiple tasks on medium to large assignments with supervision.       | \$210 |
| Assistant Accountant  | More than 2 years experience. Typically graduate and commencing qualifications. Capable of completing multiple tasks on smaller to medium assignments with supervision.     | \$185 |
| Junior Accountant     | Less than 2 years experience. Assists in completing various basic tasks under supervision.  | \$160 |
| Senior Administration | Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative and secretarial tasks.              | \$130 |
| Junior Administration | Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative and secretarial tasks.              | \$105 |

BRI Ferrier reviews its hourly rates every six months. The hourly rates quoted above remain current until 30 June 2010. At this time BRI Ferrier may increase the hourly rates charged for work performed past that date.

## **Annexure 3**

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**Forest Enterprises Australia Limited  
Tasmanian Plantation Pty Limited  
FEA Carbon Pty Limited  
FEA Plantations Pty Limited  
(All Administrators Appointed)**

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Notice of Meeting of Creditors

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FORM 529A

Paragraph 5.6.12(6)

CORPORATIONS ACT 2001

NOTICE OF APPOINTMENTS AND OF FIRST MEETINGS OF  
CREDITORS OF COMPANIES UNDER ADMINISTRATION

FOREST ENTERPRISES AUSTRALIA LIMITED (ADMINISTRATORS APPOINTED)  
(RECEIVERS & MANAGERS APPOINTED)  
ACN 009 553 548

TASMANIAN PLANTATION PTY LIMITED (ADMINISTRATORS APPOINTED)  
(MORTGAGEE IN POSSESSION)  
ACN 009 560 463

FEA CARBON PTY LIMITED (ADMINISTRATORS APPOINTED)  
(RECEIVERS & MANAGERS APPOINTED)  
ACN 009 505 195

FEA PLANTATIONS LIMITED (ADMINISTRATORS APPOINTED)  
ACN 055 969 429

("the FEA Companies")

1. On 14 April 2010 the FEA Companies appointed Brian Silvia, Peter Krejci and Mathew Muldoon of BRI Ferrier as their joint and several Administrators under section 436A of the Corporations Act 2001.

1. Notice is now given that meetings of the creditors of the companies will be held on:

**Tuesday 27 April 2010**

at the

**Albert Hall Convention Centre  
45 Tamar Street  
LAUNCESTON TAS 7250**

commencing at the following times:

- FEA Plantations Limited at 9.00am.
- Forest Enterprises Australia Limited at 12.00pm.
- Tasmanian Plantation Pty Limited at 2.30pm.
- FEA Carbon Pty Limited at 4.00pm.

2. The purpose of the meetings is to determine:

- a. whether to appoint a committee of creditors for each company; and
- b. if so, who are to be the committee's members.



3. At the meetings, creditors may also, by resolution:
  - a. remove the Administrators from office; and
  - b. appoint someone else as Administrator of each company.

**The meeting will also be broadcasting live on the internet from the following website: [www.brr.com.au/event/65286?popup=true](http://www.brr.com.au/event/65286?popup=true). The website is not interactive. If creditors wish to vote at the Meeting they need to submit a proxy.**

**Creditors' proxies must be delivered to this office by 4.00pm on Friday, 23 April 2010 including contact details of the person attending the meeting. Please forward your proxies to this office in the post or by facsimile on (02) 8263 2399.**

DATED this 16<sup>th</sup> day of April 2010.



BRIAN SILVIA  
Joint and Several Administrator

## Annexure 4

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**Forest Enterprises Australia Limited  
Tasmanian Plantation Pty Limited  
FEA Carbon Pty Limited  
FEA Plantations Pty Limited  
(All Administrators Appointed)**

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Insolvency Information for  
Directors, Employees, Creditors  
and Shareholders

---



**ASIC**

Australian Securities & Investments Commission

## Insolvency information for directors, employees, creditors and shareholders

ASIC has 11 insolvency information sheets to assist you if you're affected by a company's insolvency and have little or no knowledge of what's involved.

These plain language information sheets give directors, employees, creditors and shareholders a basic understanding of the three most common company insolvency procedures—liquidation, voluntary administration and receivership. There is an information sheet on the independence of external administrators and one that explains the process for approving the fees of external administrators. A glossary of commonly used insolvency terms is also provided.

The Insolvency Practitioners Association (IPA), the leading professional organisation in Australia for insolvency practitioners, endorses these publications and encourages its members to make their availability known to affected people.

### List of information sheets

- INFO 41 *Insolvency: a glossary of terms*
- INFO 74 *Voluntary administration: a guide for creditors*
- INFO 75 *Voluntary administration: a guide for employees*
- INFO 45 *Liquidation: a guide for creditors*
- INFO 46 *Liquidation: a guide for employees*
- INFO 54 *Receivership: a guide for creditors*
- INFO 55 *Receivership: a guide for employees*
- INFO 43 *Insolvency: a guide for shareholders*
- INFO 42 *Insolvency: a guide for directors*
- INFO 84 *Independence of external administrators: a guide for creditors*
- INFO 85 *Approving fees: a guide for creditors*

### Getting copies of the information sheets

To get copies of the information sheets, visit ASIC's website at [www.asic.gov.au/insolvencyinfosheets](http://www.asic.gov.au/insolvencyinfosheets). The information sheets are also available from the IPA website at [www.ipaa.com.au](http://www.ipaa.com.au). The IPA website also contains the IPA's Code of Professional Practice for Insolvency Professionals, which applies to IPA members.

**Important note:** The information sheets contain a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. These documents may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances. You will need a qualified professional adviser to take into account your particular circumstances and to tell you how the law applies to you.

## Annexure 5

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**Forest Enterprises Australia Limited  
Tasmanian Plantation Pty Limited  
FEA Carbon Pty Limited  
FEA Plantations Pty Limited  
(All Administrators Appointed)**

---

**Proof of Debt Form (Form 535)**

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FORM 535  
CORPORATIONS ACT 2001

Subregulation 5.6.49(2)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

ACN 009 553 548

To the Administrators of Forest Enterprises Australia Limited (Administrators Appointed) (Receivers & Managers Appointed)

1. This is to state that the Company was, on 14 April 2010<sup>(1)</sup> and still is, justly and truly indebted to<sup>(2)</sup>  
.....  
..... for  
.....dollars and.....cents.

Particulars of the debt are:

| Date | Consideration <sup>(3)</sup> | Amount<br>\$ | GST<br>included<br>\$ | Remarks <sup>(4)</sup> |
|------|------------------------------|--------------|-----------------------|------------------------|
|      |                              |              |                       |                        |

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any manner of satisfaction or security for the sum or any part of it except for the following:<sup>(5)</sup>
- 3.<sup>(6)\*</sup> I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.
- 3.<sup>(6)\*</sup> I am the creditor's agent authorised in writing to make this statement in writing. I know that the debt was incurred and for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

DATED this                      day of                      2010

Signature of Signatory.....

NAME IN BLOCK LETTERS .....

Occupation .....

Address.....

**See Directions overleaf for the completion of this form**

**OFFICE USE ONLY**

|                            |     |                          |    |
|----------------------------|-----|--------------------------|----|
| POD No:                    |     | ADMIT - Ordinary         | \$ |
| Date Received:             | / / | ADMIT - Preferential     | \$ |
| Entered into IPS/Computer: |     | Reject                   | \$ |
| Amount per RATA            | \$  | H/Over for Consideration | \$ |
| PREP BY/AUTHORISED         |     | <b>TOTAL PROOF</b>       | \$ |
| DATE AUTHORISED      / /   |     |                          |    |

### Instructions to complete Proof of Debt form

- \* Strike out whichever is inapplicable.
- (1) Insert date of Court Order in winding up by the Court, or date of resolution to wind up, if a voluntary winding up.
- (2) Insert full name and address (including ABN) of the creditor and, if applicable, the creditor's partners. If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor.
- (3) Under "Consideration" state how the debt arose, for example "goods sold and delivered to the company between the dates of .....", "moneys advanced in respect of the Bill of Exchange".
- (4) Under "Remarks" include details of vouchers substantiating payment.
- (5) Insert particulars of all securities held. Where the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, specify them in a schedule in the following form:

---

| Date | Drawer | Acceptor | Amount | Date Due |
|------|--------|----------|--------|----------|
|      | \$     | ¢        |        |          |

---

- 
- (6) If proof is made by the creditor personally, strike the two (2) paragraphs numbered 3.
- 

### Annexures

- A. If space provided for a particular purpose in a form is insufficient to contain all the required information in relation to a particular item, the information must be set out in an annexure.
- B. An annexure to a form must:
  - (a) have an identifying mark;
  - (b) and be endorsed with the words:

*"This is the annexure of (insert number of pages) pages marked (insert an identifying mark) referred to in the (insert description of form) signed by me/us and dated (insert date of signing); and*
  - (c) be signed by each person signing the form to which the document is annexed.
- C. The pages in an annexure must be numbered consecutively.
- D. If a form has a document annexed the following particulars of the annexure must be written on the form:
  - (a) the identifying mark; and
  - (b) the number of pages.
- E. A reference to an annexure includes a document that is with a form.

FORM 535  
CORPORATIONS ACT 2001

Subregulation 5.6.49(2)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

ACN 055 969 429

To the Administrators of Fea Plantations Limited (Administrators Appointed)

1. This is to state that the Company was, on 14 April 2010<sup>(1)</sup> and still is, justly and truly indebted to<sup>(2)</sup>  
 .....  
 ..... for  
 ..... dollars and ..... cents.

Particulars of the debt are:

| Date | Consideration <sup>(3)</sup> | Amount<br>\$ | GST<br>included<br>\$ | Remarks <sup>(4)</sup> |
|------|------------------------------|--------------|-----------------------|------------------------|
|      |                              |              |                       |                        |

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any manner of satisfaction or security for the sum or any part of it except for the following:<sup>(5)</sup>
- 3.<sup>(6)\*</sup> I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.
- 3.<sup>(6)\*</sup> I am the creditor's agent authorised in writing to make this statement in writing. I know that the debt was incurred and for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

DATED this                      day of                      2010

Signature of Signatory.....

NAME IN BLOCK LETTERS .....

Occupation .....

Address.....

**See Directions overleaf for the completion of this form**

**OFFICE USE ONLY**

|                            |     |                          |    |
|----------------------------|-----|--------------------------|----|
| POD No:                    |     | ADMIT - Ordinary         | \$ |
| Date Received:             | / / | ADMIT - Preferential     | \$ |
| Entered into IPS/Computer: |     | Reject                   | \$ |
| Amount per RATA            | \$  | H/Over for Consideration | \$ |
| PREP BY/AUTHORISED         |     | <b>TOTAL PROOF</b>       | \$ |
| DATE AUTHORISED      / /   |     |                          |    |

### Instructions to complete Proof of Debt form

- \* Strike out whichever is inapplicable.
- (1) Insert date of Court Order in winding up by the Court, or date of resolution to wind up, if a voluntary winding up.
- (2) Insert full name and address (including ABN) of the creditor and, if applicable, the creditor's partners. If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor.
- (3) Under "Consideration" state how the debt arose, for example "goods sold and delivered to the company between the dates of .....", "moneys advanced in respect of the Bill of Exchange".
- (4) Under "Remarks" include details of vouchers substantiating payment.
- (5) Insert particulars of all securities held. Where the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, specify them in a schedule in the following form:

---

| Date | Drawer | Acceptor | Amount | Date Due |
|------|--------|----------|--------|----------|
|      | \$     | ¢        |        |          |

---

- 
- (6) If proof is made by the creditor personally, strike the two (2) paragraphs numbered 3.
- 

### Annexures

- A. If space provided for a particular purpose in a form is insufficient to contain all the required information in relation to a particular item, the information must be set out in an annexure.
- B. An annexure to a form must:
  - (a) have an identifying mark;
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*"This is the annexure of (insert number of pages) pages marked (insert an identifying mark) referred to in the (insert description of form) signed by me/us and dated (insert date of signing); and*
  - (c) be signed by each person signing the form to which the document is annexed.
- C. The pages in an annexure must be numbered consecutively.
- D. If a form has a document annexed the following particulars of the annexure must be written on the form:
  - (a) the identifying mark; and
  - (b) the number of pages.
- E. A reference to an annexure includes a document that is with a form.



FORM 535  
CORPORATIONS ACT 2001

Subregulation 5.6.49(2)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

ACN 009 505 195

To the Administrators of FEA Carbon Pty Limited (Administrators Appointed) (Receivers & Managers Appointed)

1. This is to state that the Company was, on 14 April 2010<sup>(1)</sup> and still is, justly and truly indebted to<sup>(2)</sup>  
.....  
..... for  
.....dollars and.....cents.

Particulars of the debt are:

| Date | Consideration <sup>(3)</sup> | Amount<br>\$ | GST<br>included<br>\$ | Remarks <sup>(4)</sup> |
|------|------------------------------|--------------|-----------------------|------------------------|
|      |                              |              |                       |                        |

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any manner of satisfaction or security for the sum or any part of it except for the following:<sup>(5)</sup>
- 3.<sup>(6)\*</sup> I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.
- 3.<sup>(6)\*</sup> I am the creditor's agent authorised in writing to make this statement in writing. I know that the debt was incurred and for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

DATED this                      day of                      2010

Signature of Signatory.....

NAME IN BLOCK LETTERS .....

Occupation .....

Address.....

**See Directions overleaf for the completion of this form**

**OFFICE USE ONLY**

|                            |     |                          |    |
|----------------------------|-----|--------------------------|----|
| POD No:                    |     | ADMIT - Ordinary         | \$ |
| Date Received:             | / / | ADMIT - Preferential     | \$ |
| Entered into IPS/Computer: |     | Reject                   | \$ |
| Amount per RATA            | \$  | H/Over for Consideration | \$ |
| PREP BY/AUTHORISED         |     | <b>TOTAL PROOF</b>       | \$ |
| DATE AUTHORISED      / /   |     |                          |    |

### Instructions to complete Proof of Debt form

- \* Strike out whichever is inapplicable.
- (1) Insert date of Court Order in winding up by the Court, or date of resolution to wind up, if a voluntary winding up.
- (2) Insert full name and address (including ABN) of the creditor and, if applicable, the creditor's partners. If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor.
- (3) Under "Consideration" state how the debt arose, for example "goods sold and delivered to the company between the dates of .....", "moneys advanced in respect of the Bill of Exchange".
- (4) Under "Remarks" include details of vouchers substantiating payment.
- (5) Insert particulars of all securities held. Where the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, specify them in a schedule in the following form:

---

| Date | Drawer | Acceptor | Amount | Date Due |
|------|--------|----------|--------|----------|
|      | \$     | ¢        |        |          |

---

- 
- (6) If proof is made by the creditor personally, strike the two (2) paragraphs numbered 3.
- 

### Annexures

- A. If space provided for a particular purpose in a form is insufficient to contain all the required information in relation to a particular item, the information must be set out in an annexure.
- B. An annexure to a form must:
  - (a) have an identifying mark;
  - (b) and be endorsed with the words:

*"This is the annexure of (insert number of pages) pages marked (insert an identifying mark) referred to in the (insert description of form) signed by me/us and dated (insert date of signing); and*
  - (c) be signed by each person signing the form to which the document is annexed.
- C. The pages in an annexure must be numbered consecutively.
- D. If a form has a document annexed the following particulars of the annexure must be written on the form:
  - (a) the identifying mark; and
  - (b) the number of pages.
- E. A reference to an annexure includes a document that is with a form.

FORM 535  
CORPORATIONS ACT 2001

Subregulation 5.6.49(2)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

ACN 009 560 463

To the Administrators of Tasmanian Plantation Pty Limited (Administrators Appointed) (Mortgagee in Possession)

1. This is to state that the Company was, on 14 April 2010<sup>(1)</sup> and still is, justly and truly indebted to<sup>(2)</sup>  
 .....  
 ..... for  
 .....dollars and .....cents.

Particulars of the debt are:

| Date | Consideration <sup>(3)</sup> | Amount<br>\$ | GST<br>included<br>\$ | Remarks <sup>(4)</sup> |
|------|------------------------------|--------------|-----------------------|------------------------|
|      |                              |              |                       |                        |

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any manner of satisfaction or security for the sum or any part of it except for the following:<sup>(5)</sup>
- 3.<sup>(6)\*</sup> I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.
- 3.<sup>(6)\*</sup> I am the creditor's agent authorised in writing to make this statement in writing. I know that the debt was incurred and for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

DATED this                      day of                      2010

Signature of Signatory.....

NAME IN BLOCK LETTERS .....

Occupation .....

Address.....

**See Directions overleaf for the completion of this form**

**OFFICE USE ONLY**

|                            |     |                          |    |
|----------------------------|-----|--------------------------|----|
| POD No:                    |     | ADMIT - Ordinary         | \$ |
| Date Received:             | / / | ADMIT - Preferential     | \$ |
| Entered into IPS/Computer: |     | Reject                   | \$ |
| Amount per RATA            | \$  | H/Over for Consideration | \$ |
| PREP BY/AUTHORISED         |     | <b>TOTAL PROOF</b>       | \$ |
| DATE AUTHORISED      / /   |     |                          |    |

### Instructions to complete Proof of Debt form

- \* Strike out whichever is inapplicable.
- (1) Insert date of Court Order in winding up by the Court, or date of resolution to wind up, if a voluntary winding up.
- (2) Insert full name and address (including ABN) of the creditor and, if applicable, the creditor's partners. If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor.
- (3) Under "Consideration" state how the debt arose, for example "goods sold and delivered to the company between the dates of .....", "moneys advanced in respect of the Bill of Exchange".
- (4) Under "Remarks" include details of vouchers substantiating payment.
- (5) Insert particulars of all securities held. Where the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, specify them in a schedule in the following form:

---

| Date | Drawer | Acceptor | Amount | Date Due |
|------|--------|----------|--------|----------|
|      | \$     | ¢        |        |          |

---

- 
- (6) If proof is made by the creditor personally, strike the two (2) paragraphs numbered 3.
- 

### Annexures

- A. If space provided for a particular purpose in a form is insufficient to contain all the required information in relation to a particular item, the information must be set out in an annexure.
- B. An annexure to a form must:
  - (a) have an identifying mark;
  - (b) and be endorsed with the words:

*"This is the annexure of (insert number of pages) pages marked (insert an identifying mark) referred to in the (insert description of form) signed by me/us and dated (insert date of signing); and*
  - (c) be signed by each person signing the form to which the document is annexed.
- C. The pages in an annexure must be numbered consecutively.
- D. If a form has a document annexed the following particulars of the annexure must be written on the form:
  - (a) the identifying mark; and
  - (b) the number of pages.
- E. A reference to an annexure includes a document that is with a form.

## Annexure 6

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**Forest Enterprises Australia Limited  
Tasmanian Plantation Pty Limited  
FEA Carbon Pty Limited  
FEA Plantations Pty Limited  
(All Administrators Appointed)**

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Proxy Form

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CORPORATIONS ACT 2001

APPOINTMENT OF PROXY  
CREDITORS MEETING

FOREST ENTERPRISES AUSTRALIA LIMITED (ADMINISTRATORS APPOINTED)  
(RECEIVERS & MANAGERS APPOINTED)  
ACN 009 553 548

TASMANIAN PLANTATION PTY LIMITED (ADMINISTRATORS APPOINTED)  
(MORTGAGEE IN POSSESSION)  
ACN 009 560 463

FEA CARBON PTY LIMITED (ADMINISTRATORS APPOINTED)  
(RECEIVERS & MANAGERS APPOINTED)  
ACN 009 505 195

FEA PLANTATIONS LIMITED (ADMINISTRATORS APPOINTED)  
ACN 055 969 429

\*I/\*We (1) .....

of.....

a Creditor of:

- **FEA Plantations Limited**
- **Forest Enterprises Australia Limited**
- **Tasmanian Plantations Pty Limited**
- **FEA Carbon Pty Limited**

appoint (2) .....

or in his or her absence .....

as \*my/our general proxy to vote at the Meeting of Creditors to be held on Tuesday, 27 April 2010 at the Albert Hall Convention Centre, 45 Tamar Street, LAUNCESTON TAS 7250 or at any adjournment of that meeting (3).

DATED this                      day of                      2010.

\_\_\_\_\_  
Signature

INSTRUCTIONS FOR COMPLETING:

1. Insert name and address.
2. Appoint name of person to be appointed as proxy.
3. Where the proxy does not appoint a person the proxy will be deemed to be in favour of the Chairman.

CERTIFICATE OF WITNESS

*This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor, contributory, debenture holder or member must not be witnessed by the person nominated as proxy.*

I, ..... of .....  
certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him or her before he or she signed or marked the instrument.

Dated:

Signature of Witness:

Description:

Place of Residence:

---

\* Strike out if inapplicable

- (1) If a firm, strike out "I" and set out the full name of the firm.
- (2) Insert the name, address and description of the person appointed.
- (3) If a special proxy add the words "to vote for" or the words "to vote against" and specify the particular resolution.