



## FREQUENTLY ASKED QUESTIONS FOR GROWER-INVESTORS

EDITION ONE – 30 APRIL 2010

### What is BRI Ferrier’s role in dealing with the FEA Group of companies?

- On 14 April 2010, Brian Silvia, Peter Krejci and Mathew Muldoon of BRI Ferrier were appointed Joint and Several Administrators of:
  - ▲ Forest Enterprises Australia Limited (“FEA”);
  - ▲ Tasmanian Plantation Pty Limited (“TP”);
  - ▲ FEA Carbon Pty Limited (“FEA Carbon”); and
  - ▲ FEA Plantations Limited (“FEA Plantations”).

(Collectively known as the “FEA Group”)
- On 16 April 2010, a First Report was sent to creditors and Grower/Investors of FEA Group. A copy of the First Report can be downloaded from our website: [www.briferriernsw.com.au](http://www.briferriernsw.com.au) (under creditors section).

The FEA Group’s financiers have appointed Tim Norman and Sal Algeri of Deloitte as Receivers and Managers to FEA and FEA Carbon and as Agent for the Mortgagee in Possession to TP. The effect of Deloitte’s appointment was to “transfer” control of the Group’s activities to Deloitte, except for FEA Plantations.

Our main role has been to take control of FEA Plantations and to work in conjunction with Deloitte in relation to the other FEA group companies to develop strategies for the benefit of all stakeholders including Grower-Investors.

### What meetings are required to be held during an Administration?

During the course of an Administration, two meetings of creditors are held as follows:

1. **First Meeting of Creditors.** Attached to the First Report is a Notice of First Meeting of Creditors held on Tuesday, 27 April 2010 at the Albert Hall Convention Centre, 45 Tamar Street, Launceston, TAS 7250 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.

The purpose of the First Meeting is to decide whether to:

- ▲ Appoint a Committee of Creditors.
- ▲ If thought appropriate by creditors, remove the Administrators replacing them with alternate Administrators.

Details regarding the outcome of the First Meeting of Creditors will be provided in the minutes of the meeting which will be available on our website shortly.

2. **Second Meeting of Creditors** which must be convened within 20 business days after the appointment of an Administrator, and held no later than five business days after the end of the convening period. The convening of this meeting may be delayed with the approval of the Court.

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 (restructure of companies); or
- ▲ The Administrations should end; or
- ▲ The Companies should be wound up (placed into Liquidation).

Further details regarding these meetings will be circulated in due course.

Before the meetings, creditors and investors are asked to complete a Proof of Debt form (Form 535) and, if you are seeking to have someone attend on your behalf, a Proxy form (Form 532).

### **What is a Proof of Debt?**

A Proof of Debt is a prescribed form setting out creditors details of their claim against a company.

### **Do I have to lodge a Proof of Debt?**

By completing a Proof of Debt form, you register your debt with the Administration.

If you are unsure of the specific amount owed to you, please provide an estimated amount and details of the basis of your estimate.

Proof of Debt forms are attached to the First Report to Creditors and can also be found on our website: [www.briferrier.com.au](http://www.briferrier.com.au).

Grower-Investors should review the instructions on how to complete a Proof of Debt which is attached to the Proof of Debt and also located on the website.

Please note that creditors or contingent creditors must provide sufficient documentation to substantiate their claim.

### **What Court actions have the Administrators' pursued?**

The Administrators applied to the Court in the week beginning 19 April 2010 with a view to extend the "decision periods" relative to the Administrators' adoption or termination of a range of ongoing legal and commercial arrangements. Specifically this relates to issues of lease terms payable on freehold property.

On 20 April 2010, the Court granted an extension for the decision period up to 30 April 2010. A further hearing was held on 28 April 2010 where we are currently awaiting for directions from the Court.

Further Administration updates will be provided in due course.

### **What is the Administrator's role in relation to the Managed Investment Schemes?**

FEA Plantations, as the Responsible Entity operates 16 continuing Managed Investment Schemes, where we as the Administrators remain in control of them.

The Administrators are investigating the ongoing viability of each of the Managed Investment Schemes ("MIS") and in the process of detailing their assets, requisite cash-flow, viability and legal obligations. The Administrators are mindful of preserving the value of each of the MIS's for the benefit of all stakeholders.

The Administrators are mindful of their obligations as officers of the Company as regard the interests of the MIS investors.

**Who should I contact regarding payments on my investment loan sourced by FEA?**

We understand that the Receivers and Managers will write to you separately on this issue.

Alternatively, Deloitte's contact details are: [fea\\_borrowers@deloitte.com.au](mailto:fea_borrowers@deloitte.com.au).

**Where can I obtain information regarding future Administration developments?**

Members, creditors and shareholders can check [www.briferriernsw.com.au](http://www.briferriernsw.com.au) for updates.

Grower-Investors are also requested to provide their email address to enable updates to be distributed on a regular basis.

A dedicated hotline has also been established for investors, creditors and shareholders: 1300 229 266.

**What measures are currently being undertaken to protect the interests of Grower/Investors?**

The Administrators recognise the importance of preserving the value of the assets of the companies in the Group and those of the Grower-Investors and will take appropriate steps to do so within financial constraints. The Administrators are personally funding the Administration at present where the Bank's have sought to secure all immediate cash flow.

At present, the Administrators are undertaking an urgent review of the schemes. The outcome of that review will be reported as soon as it is practically available.

**Is there other interested parties looking at taking on the Responsible Entity role?**

A number of parties have expressed interest to us in acquiring the business or parts of it where we have accepted their details. Any decision to deal with the Group's assets by us requires a co-operative approach with the Receivers & Managers where we remain to be sufficiently apprised of the Group's affairs before making decisions on the Group's future. Any intended dealings with the assets will require the co-operative approach of various stakeholders.

**Will there be separate meetings of Grower-Investors for each scheme?**

**In the near future, we will determine if separate meetings are required.** The results of our initial enquiries will be reviewed and assessed before convening such meetings.

**What am I to do with my current insurance policy for my scheme?**

We understand that the schemes have current insurances in place due to expire on 30 September 2010. Some Grower-Investors have further to pay on account of their prospective premiums where the Group has advised that unless they are paid the policies could be cancelled.

We are not currently in a position to comment whether the insurances in place provide adequate cover. They are currently the subject of review.