

**FEA PLANTATIONS LIMITED
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)
(RECEIVERS APPOINTED)**

BRI Ferrier

Business Reconstruction & Insolvency

**Section 445F Creditors Meeting
12 May 2011**



Agenda

- Introduction
- Deed Administrators' Report
- Restructuring Proposals
- Deed Administrators' Position on Competing Restructuring Proposals
- Resolution to Extend Holding Deed of Company Arrangement Period To 30 September 2011
- Deed Administrators' Summary Account of Receipts and Payments
- Deed Administrators' Remuneration
- Resolution
- Questions

Introduction

- Welcome
- Agenda
- Adjudication on Proofs and Proxies
- Quorum
- Determination of Convenience
- Declaration of Independence, Relevant Relationships and Indemnities

Deed Administrators' Report

- Introduction
 - Purpose of Meeting for Creditors to vote on proposed resolution to extend current DOCA to 30 September 2011, by which time RFM restructure proposal should be implemented if it is to proceed.
 - Failure to extend current Holding DOCA could be terminal to current restructuring proposals or at least add significant cost to any restructure which may proceed for the Company.

Deed Administrators' Report

- Reconstruction Proposals
 - Current Preferred Restructuring Proposal – Rural Funds Management (“RFM”)
 - Alternative Restructuring Proposals – BlackTree
 - Investment Bank Proposal – Withdrawn
 - Administrators' Position on Competing Restructuring Proposals

- Any proposed restructure is subject to approval by growers of separate Schemes.

- The Deed Administrators continue to work with the FEA Growers Group (“FEAGG”) to progress both restructuring proposals.

Restructuring Proposals

- Correction of error on page 3 of the RFM Proposal Outline, annexed to 1999 to 2009 Grower Report dated 30 March 2011:

“The Secured Creditors will receive payment of an agreed amount of the debt currently owing by the FEA Group, and in exchange will release their securities over most of the assets of the FEA Group.”

Restructuring Proposals

- Current Preferred Restructuring Proposal – RFM
 - RFM propose to restructure the 1999 to 2009 Schemes and FEA Group.
 - 1994 -1998 Schemes will remain as individual Schemes until final harvest and payment of timber sale proceeds to Growers. RFM will fulfil the replanting requirements of FEA.
 - RFM proposal, subject to Creditor and Grower approvals, will take approximately three to five months to implement.
 - Forbearance Deed is executed and binds RFM and Banks.

Restructuring Proposals

- Current Preferred Restructuring Proposal – RFM (continued)
 - RFM need to meet periodic milestones to facilitate implementation:
 - Prepare Information Package – 20 June 2011
 - Initial Funding Approval – 11 July 2011
 - Binding Equity Commitment – 20 July 2011
 - Growers Formal Approval – 30 August 2011
 - Scheme of Arrangement – 6 September 2011
 - Deed Administrators will monitor milestone dates and manage implementation risks.

Restructuring Proposals

- Current Status of RFM Restructuring Proposal
 - RFM commenced on the ground due diligence on 2 May in Launceston.
 - They have now attended Lismore and are in the process of updating the financial projections.
 - The identification of properties that will be sold is being completed. In addition, properties leased from third parties are also being reviewed.
 - Financial and Legal advisors plus the Forestry Experts have now been appointed.
 - The Independent Expert is in the process of being appointed to report to the Deed Administrator.
 - The Implementation Agreement between the companies in the FEA Group and RFM is expected to be executed by 16 May.

Restructuring Proposals

- Current Status of RFM Restructuring Proposal (continued)
 - The application for a private tax ruling is currently being prepared for lodgement.
 - RFM are confident of meeting the timetable set out in the Forbearance Agreement.
 - RFM remain confident that they will obtain final approval from the debt and equity funders as set out in the Forbearance Agreement. Gresham's has been appointed to oversee the equity raising.
 - Regular updates will be released by RFM directly to Growers.
 - The Explanatory Memorandum will be released to Growers by late July.

Restructuring Proposals

- Alternative Restructuring Proposal – BlackTree Proposal
 - FEAGG convened Growers Meetings for Scheme years 1999 to 2008 were further adjourned to 29 June 2011.
 - The BlackTree proposal contemplates their appointment as manager of the Schemes and removes FEAP as RE.
 - Scheme years 2003 to 2008 will be converted from deferred contributory to pay as you go Schemes.
 - BlackTree continue to engage with us in respect of our concerns separately detailed to 1999 – 2008 Growers.
 - The Deed Administrator will report to Growers by the end of May 2011 on the updated status of the BlackTree proposal.

Deed Administrators' Position on Competing Restructuring Proposals

- The Deed Administrators are of the following view:
 - The RFM restructure proposal currently offers the best outcome to all classes of Creditors, with lowest implementation risks.
 - The BlackTree proposal has not offered a solution to 1994 to 1998 and the 2009 Scheme Growers, the Banks, Unsecured Creditors and Shareholders. Our various concerns with the current BlackTree proposals remain unresolved.
 - LonSec Research is undertaking a comparative review of the BlackTree & RFM proposals. This will be released to financial advisors who are LonSec Clients.

Resolution to Extend Holding DOCA

- Resolution to Extend Holding DOCA Period Beyond 1 April 2011
 - FEAP Holding DOCA has a “period life” to 23 May 2011 where clause 3.1.5 requires a creditors resolution by that time to extend it.
 - Should creditors reject the resolution to extend Holding DOCA, FEAP will enter liquidation on 23 May 2011 which could be terminal to or at least add significant cost to facilitating acceptance of the RFM proposal and any other relevant restructure proposal.

Proposed Growers Invoicing Pending Implementation of RFM restructure

- We have previously invoiced:
 - Growers in 1994 to 2002 Scheme – 30 June 2011
 - Growers in 2003 to 2009 Scheme – 30 April 2011 (Voluntary Invoices)
- To ensure all schemes remain funded until a restructuring proposal is implemented, we propose to invoice growers for the following periods:
 - Growers in 1995 to 1998 Schemes – FY 2011/2012
 - Growers in 1999 to 2002 Schemes – July to September 2011
 - Growers in 2003 to 2009 Scheme – May to September 2011
- Invoices will be kept to the minimum required to maintain each Scheme pending the implementation of either of the restructure proposals.
- Invoice will be sent to Growers over the next two weeks.

Deed Administrators' Summary Account of Receipts and Payments

For the Period Ending
 31st January 2018
 In Accordance with the Provisions of the Insolvency Act 1986
 and the Insolvency (England and Wales) Regulations 2016

	Total	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
RECEIPTS																	
Cash at Bank on Voluntary Administration Appointment	2,042,752.00	-	571,489.65	136,411.36	1,452,693	3.00	21,627.30	1,286,707.62	495,327.46	-	-	-	-	-	-	-	-
Post-Insolvency Administration Income (Managed Investment Scheme Receipts)	2,026,000.00	-	-	76,127.28	26,276.39	193,094.61	340,719.68	3,121,000.00	316,624.91	106,046.71	146,646.08	136,216.47	451,196.96	246,749.70	407,970.46	744,919.25	1,170,000.00
Post-Insolvency Administration Income (Other Receipts (Overpayment))	744,500.00	-	-	-	-	-	-	-	-	-	-	52,000.00	45,678.75	136,406.44	117,810.51	136,406.44	13,400.00
Post-Insolvency Administration Income (Claims Received)	407,678.36	-	-	26,474.52	-	-	107,264.76	215,007.07	-	-	-	-	-	-	-	-	-
Post-Insolvency Other Receipts	19,236.36	1,007.43	-	-	2,127.90	1,078.18	100.00	2,224.34	100.00	-	-	-	-	-	-	-	-
Bank Interest Received	74,000.00	1,107.42	-	-	6.50	16.00	210.00	1,000.00	1,200.00	1.00	1.00	2,000.00	2,000.00	4,200.00	7,700.00	7,500.00	10,000.00
Receipts in the Realisation of Other Managed Investment Schemes	1,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Miscellaneous (Overpayment)	100,000.00	-	-	1,071.12	1,264.67	-	-	67,000.00	-	-	-	-	-	-	-	-	-
Receipts of Solicitors' Fees	50,700.00	82,700.00	-	-	-	-	-	-	4,247.17	1,111.07	401.00	1,445.13	161,121.52	46,400.00	34,478.36	11,014.15	136,417.36
Normal Pre-Insolvency Receipts	100,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Refund of Remuneration (overpayment) paid by Managed Investment Schemes (Overpayment)	100,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Refund of Management Fees	25,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Refund of Remuneration (Settlements)	100,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General Fund Receipts from Managed Investment Schemes (Amount of Remuneration)	435,107.52	435,107.52	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Disbursements	100,000.00	100,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Bank Interest on General Fund from Managed Investment Schemes	100,000.00	100,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Refund of Management Fees (Pre-Insolvency)	100,000.00	100,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Refund of Pre-Appointment Claims (by way of other appointment fees)	100,000.00	100,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Refund of Remuneration from Managed Investment Schemes (Overpayment)	100,000.00	100,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Refund of Disbursements from Managed Investment Schemes (Overpayment)	24,678.36	24,678.36	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Managed Investment Scheme Receipts from General Fund	100,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Refund of Disbursements (Overpayment)	100,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Refund of Disbursements (Settlements)	100,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts (including GST where applicable)	11,611,000.00	1,171,444.07	1,171,444.07	1,171,444.07	1,171,444.07	1,171,444.07	1,171,444.07	1,171,444.07	1,171,444.07	1,171,444.07	1,171,444.07	1,171,444.07	1,171,444.07	1,171,444.07	1,171,444.07	1,171,444.07	1,171,444.07
PAYMENTS																	
General Fund Payments on Account of																	
- Remuneration	475,328.46	475,328.46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- General Fund	200,000.00	200,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Secondary Administrators' Fees	435,107.52	435,107.52	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Managed Investment Scheme Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Disbursements	4,500.00	4,500.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- General Fund	4,500.00	4,500.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Managed Investment Scheme Fund	4,500.00	4,500.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Remuneration (Overpayment)	100,000.00	100,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Charged to Managed Investment Schemes	8,121.00	8,121.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Payment of Normal Fees (see from Managed Investment Schemes)	10,000.00	10,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Other Standing Charges	2,700.00	2,700.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Bank Charges	185.00	185.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Cost of Issuing Items	17,000.00	17,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Insurance	7,702.42	7,702.42	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Insurance no GST	292.50	292.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Other Professional Fees - Primary Administrators, Accounting & Other	200.00	200.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Professional Fees	11,000.00	11,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Legal Costs	200,000.00	200,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Stationery & Printing	52.24	52.24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Stationery Subsidies	85.00	85.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Managed Investment Scheme Payments in Respect of	2,711,040.00	-	21,627.30	57,716.76	-	-	-	1,591,000.00	256,100.00	-	43,400.00	47,000.00	107,014.53	1,007,014.53	146,107.04	116,210.00	116,210.00
- Remuneration	117,144.07	-	117,144.07	-	-	-	-	1,591,000.00	256,100.00	-	43,400.00	47,000.00	107,014.53	1,007,014.53	146,107.04	116,210.00	116,210.00
- Disbursements	1,593,895.93	-	1,593,895.93	-	-	-	-	1,593,895.93	256,100.00	-	43,400.00	47,000.00	107,014.53	1,007,014.53	146,107.04	116,210.00	116,210.00
- Bank Charges	100.00	-	100.00	-	-	-	-	1,000.00	1,000.00	-	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
- General Fund for Overpayment	744,500.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Distribution Income	435,107.52	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Pre-Appointment Insurance Claims Refund	21,627.30	-	-	-	-	-	-	21,627.30	-	-	-	-	-	-	-	-	-
- Cost of Issuing Items	3,712.11	-	3,712.11	-	-	-	-	3,712.11	-	-	-	-	-	-	-	-	-
- Insurance	10,000.00	-	10,000.00	-	-	-	-	10,000.00	-	-	-	-	-	-	-	-	-
- Insurance no GST	10.00	-	10.00	-	-	-	-	10.00	-	-	-	-	-	-	-	-	-
- Primary Administrators' Fees	100,000.00	-	100,000.00	-	-	-	-	100,000.00	-	-	-	-	-	-	-	-	-
- Primary Managers' Fees	170,700.00	-	170,700.00	-	-	-	-	170,700.00	-	-	-	-	-	-	-	-	-
- Other Professional Fees - Primary Administrators, Accounting & Other	45,107.17	-	45,107.17	-	-	-	-	45,107.17	-	-	-	-	-	-	-	-	-
- Bank Fees	200,000.00	-	200,000.00	-	-	-	-	200,000.00	-	-	-	-	-	-	-	-	-
- Legal Fees paid/for from Managed Investment Schemes	11,100.00	-	11,100.00	-	-	-	-	11,100.00	-	-	-	-	-	-	-	-	-
- Stationery & Printing	200,000.00	-	200,000.00	-	-	-	-	200,000.00	-	-	-	-	-	-	-	-	-
- Stationery Subsidies	100.00	-	100.00	-	-	-	-	100.00	-	-	-	-	-	-	-	-	-
- Stationery Fees	1,475.00	-	1,475.00	-	-	-	-	1,475.00	-	-	-	-	-	-	-	-	-
Payments from Managed Investment Schemes to General Fund on Account of	435,107.52	-	435,107.52	-	-	-	-	435,107.52	-	-	-	-	-	-	-	-	-
- Disbursements	100,000.00	-	100,000.00	-	-	-	-	100,000.00	-	-	-	-	-	-	-	-	-
- Interest Fees	100,000.00	-	100,000.00	-	-	-	-	100,000.00	-	-	-	-	-	-	-	-	-
- Management Fees (Using an Appointment Fee)	100,000.00	-	100,000.00	-	-	-	-	100,000.00	-	-	-	-	-	-	-	-	-
- Payment of Pre-Appointment Claims to General Fund	100,000.00	-	100,000.00	-	-	-	-	100,000.00	-	-	-	-	-	-	-	-	-
- Remuneration (Overpayment)	100,000.00	-	100,000.00	-	-	-	-	100,000.00	-	-	-	-	-	-	-	-	-
- Disbursements from Managed Investment Schemes (Overpayment)	24,678.36	-	24,678.36	-	-	-	-	24,678.36	-	-	-	-	-	-	-	-	-
General Fund Payments to Managed Investment Schemes on Account of	100,000.00	-	100,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Payments of Remuneration	100,000.00	-	100,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Payments of Other Disbursements	24,678.36	-	24,678.36	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Payments (including GST where applicable)	11,611,000.00	1,171,444.07	1,171,444.07	1,171,444.07	1,171,444.07	1,171,444.07	1,171,444.07	1,171,444.07	1,171,444.07	1,171,444.07	1,171,444.07	1,171,444.07	1,171,444.07	1,171,444.07	1,171,444.07	1,171,444.07	1,171,444.07
Cash at Hand	2,042,752.00	17,444.07	17,444.07	17,444.07	17,444.07	17,444.07	17,444.07	17,444.07	17,444.07	17,444.07	17,444.07	17,444.07	17,444.07	17,444.07	17,444.07	17,444.07	17,444.07

Deed Administrators' Remuneration

- Deed Administrators' Remuneration
 - Committee of Creditors and subsequently Committee of Inspection have reviewed and approved Deed Administrators' Remuneration.
 - Remuneration has been approved by the Committee of Inspection for the period to 30 April 2011.

The Company's Future

- Company's Future
 - Extend Holding Deed; or
 - Liquidation

- Recommendation

We request that creditors vote in favour of proposed resolution to extend current DOCA to 30 September 2011, by which time the RFM restructure proposal should be implemented if it is to proceed.

Resolutions – Extension of Holding DOCA

Resolution

That clause 3.1.5 of the FEA Plantations Limited Deed of Company Arrangement be varied to:

“30 September 2011.”

Questions

Meeting Close

Thank you for attending