

26 April 2013

CIRCULAR TO GROWER CREDITORS

Dear Growers

**FOREST ENTERPRISES AUSTRALIA LIMITED
(SUBJECT TO DEED OF COMPANY ARRANGEMENT) (RECEIVERS AND MANAGERS APPOINTED)
ACN 009 553 548**

**FEA PLANTATIONS LIMITED
(SUBJECT TO DEED OF COMPANY ARRANGEMENT) (RECEIVERS APPOINTED)
ACN 055 969 429**

COLLECTIVELY "THE COMPANIES"

Many Growers have recently received communications from DC Legal.

While there is no reason that Growers should not seek independent legal advice, the Deed Administrators propose to call meetings of creditors to consider amended Deeds of Company Arrangement which may lead to distributions to Growers. It is the Deed Administrators' view that these Deeds of Company Arrangement will maximise the returns to Growers. The Deed Administrators do not see that the involvement of DC Legal can in any way materially improve the returns to Growers.

We have seen a memorandum to Growers from DC Legal following the last creditors' meetings in Launceston on 27 March 2013. We do not believe that the memorandum correctly reflects what occurred at those meetings. There are a number of statements made in DC Legal's memoranda which are partly or wholly incorrect - in particular those relating to the proposed restructure of the Schemes. We are writing to DC Legal separately about these issues.

Growers should be aware that in the final form of the restructuring documents, Growers are likely to be treated as creditors if the relevant scheme does not continue to harvest. In the meantime, the Deed Administrators have determined that Growers should be admitted to participate in any future meeting of creditors for nominal amounts, reflecting their position as contingent creditors. The Deed Administrators do not feel that Growers need to incur the expense of retaining a third party to prepare a more detailed and substantiated proof of debt at this time. Should Growers be required to provide

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

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further information about their claims in order to prove in a Deed Fund, the Deed Administrators will provide information, possibly in the form of a questionnaire, about how this should be prepared. It is expected that the requirements will not be complicated and the Deed Administrators' staff will be able to assist Growers in filling out these forms.

Any enquiries regarding the upcoming meetings of creditors should be directed to the Deed Administrators' staff by telephone, facsimile or email. The Deed Administrators will release a detailed Report to Creditors in due course.

Yours faithfully

**FOREST ENTERPRISES AUSTRALIA LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)
(RECEIVERS AND MANAGERS APPOINTED)
FEA PLANTATIONS LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT) (RECEIVERS
APPOINTED)**



BRIAN SILVIA

Joint and Several Deed Administrator