

Report to Creditors and Growers

under Section 445F of the Corporations Act 2001

Forest Enterprises Australia Limited

(Subject to Deed of Company Arrangement)

(Receivers and Managers Appointed)

ACN 009 553 548

("FEA")

FEA Plantations Limited

(Subject to Deed of Company Arrangement)

(Receivers Appointed)

ACN 055 969 429

("FEAP")

21 October 2013

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Deed Administrators

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1 EXECUTIVE SUMMARY

This is a Report by Brian Silvia and Peter Krejci, the Deed Administrators of Varied Deeds of Company Arrangement (“Varied DOCAs”) executed by FEA and FEAP (“the Companies”).

The Varied DOCAs were executed on 28 June 2013, in accordance with resolutions passed at Meetings of the Companies’ Creditors held that day, to facilitate the Proposed Settlement described in our last Report to Creditors dated 18 June 2013 (our “Last Report”). The Proposed Settlement, with some changes, is now reflected in a confidential Implementation Deed executed by the Deed Administrators and the FEA Group’s Secured Creditors on 5 September 2013.

The Varied DOCAs have two phases. The first is a “holding” phase, during which steps, known as “Milestones”, in respect of restructuring the affairs of the FEA Group are to occur. The holding phase will be followed by an “operative” phase, during which the Varied DOCAs provide for distributions under the Implementation Deed through final Amended Varied Deeds of Company Arrangement (“Further Amended DOCAs”).

The Varied DOCAs currently provide that all the Milestones must occur by 30 October 2013. If the Milestones have not occurred the Varied DOCAs expire and control of the Companies will return to their directors. In the Deed Administrators’ view, this will prevent the Proposed Settlement proceeding to the cost of all parties, including all classes of Creditors and Growers.

For reasons explained in this Report, some Milestones may not have occurred by 30 October 2013. The Deed Administrators recommend that creditors amend the Varied DOCAs to extend the expiration date to 29 November 2013. This extension will allow the Milestones to occur; or if not, for final determination that they cannot occur.

The Deed Administrators also seek creditor approval to changes to the proposed Further Amended DOCAs to reflect amendments and elaborations of the Settlement Proposal reflected in the Implementation Deed as finally executed. We have included in this Report updated projections of the returns to Growers and Creditors under the Settlement Proposal.

These changes require the approval of the Creditors of the Companies, including investors in the 1994 to 2009 Managed Investment Schemes (“Growers”).

This Report covers Notices of separate Meetings of the Creditors of the Companies, which we have convened for Tuesday, 29 October 2013 at 10.30 am (FEAP) and 12.30 pm (FEA).

Should the Creditors not resolve to extend the holding term of the Varied DOCAs, we recommend that the Companies be placed in liquidation, as they are insolvent and should not be returned to their directors. It may be of importance to maintain continuity in respect of the Companies’ Relation Back Date. The Relation Back Date is the date from which any past insolvent transactions can be reviewed if the Companies enter liquidation, and is currently 14 April 2010.

In the Deed Administrators’ view, the extension of the Varied DOCAs will provide a far better return to Creditors and Growers than if the Companies enter into liquidation.

2 INTRODUCTION

The Deed Administrators of FEA and FEAP have convened Meetings of the Creditors of the Companies (who include Growers, as contingent creditors) to allow them to consider extending the operation of Varied DOCAs and to amend the Varied DOCAs to better reflect the Implementation Deed eventually agreed upon by all parties and executed on 5 September 2013. The Implementation Deed provides for the restructuring of the assets, liabilities and corporate structures of the FEA Group, including the Managed Investment Schemes operated by the Group, and the settlement of disputes between the parties.

FEA and FEAP are parts of the FEA Group of Companies. FEA was formerly a listed public company and the parent entity in the FEA Group. FEAP was FEA's subsidiary. FEAP held an Australian Financial Services Licence permitting it to establish and run, as Responsible Entity, Managed Investment Schemes. FEAP remains the Responsible Entity of 17 such schemes, members of which are referred to in this Report as Growers.

In the Deed Administrators' view, the arrangements under the Implementation Deed will result in the distribution of the assets of the Group and Schemes in a way that resolves factual uncertainties, currently the subject of litigation, to the commercial advantage of all the parties.

We reported on the terms of the Proposed Settlement in our Last Report. A copy of that Report is available here:

http://briferrier.com.au/media/File/1_445F_Report_to_Creditors_Growers_1862013.pdf

In this Report, we adopt the same shortened descriptions of parties used in our Last Report.

3 THE VARIED DEEDS OF COMPANY ARRANGEMENT

As contemplated in our Last Report and in accordance with resolutions of Meetings of Creditors held on 28 June 2013, Varied DOCAs were executed on 28 June 2013. Copies of the Varied DOCAs are available here:

FEA http://briferrier.com.au/media/File/FEA_Varied_DOCA.pdf

FEAP http://briferrier.com.au/media/File/FEAP_Varied_DOCA.pdf

The Varied DOCAs are in material respects the same.

3.1 SETTLEMENT PROPOSAL

The Varied DOCAs are one part of the arrangements required to give effect to a Settlement Proposal, more thoroughly described in our Last Report. In summary terms, it provides for:

- Settlement of litigation between the Receivers, representing the Secured Creditors, who say they are entitled to all of the FEA Group's land and the trees planted on it free of encumbrance, and the Deed Administrators, who have said that FEAP held various encumbrances on behalf of Growers in the successive annual Managed Investment Schemes that bind that land until harvest of the trees;

- Distribution of the Harvest Proceeds in the 1994 MIS Scheme;
- Winding up of a land-holding trust, the FEA Timberlands Fund (“Timberlands Fund”), which owns some of the Internal Land;
- The sale of all the FEA Group’s land, either subject to the 1995-2001 schemes, as reconstructed, and with the appointment of a new Responsible Entity (called the “MIS Transition”), or, free of those interests, but in return for a share of the proceeds being paid to those schemes (“One Line Sale). The sale is to be carried out by the Receivers appointed to the Group Companies by the Secured Creditors and an independent Sale Advisor;
- The reconstruction of the 1995-2001 MIS Schemes to facilitate whichever of the MIS Transition or One Line Sale is likely to result in a greater overall return;
- The creation of three Distribution Funds, to be administered by the Deed Administrators with the FEA DOCA which, irrespective of whether the One Line Sale or the MIS Transition occurs, providing for:
 - Pool A – Participating Creditors, that is, ordinary unsecured creditors of both FEA and FEAP, including landlord claims;
 - Pool B – includes as Participating Creditors members of the 2002-2009 FEAP Managed Investment Schemes for the total value of their original investments. The members of these Schemes who made Voluntary Contributions will receive a priority repayment of them. Those members of the 2002 Scheme who made mandatory contributions will also receive priority repayment of contributions less their respective Scheme maintenance costs.
 - Pool C – Provides a mechanism to equalise Pools A and B dividend outcomes in the event there is a surplus after satisfaction of the Secured Creditors’ claims
- 1995-2001 Grower Contributions are to be dealt with separately on the Sale, depending on whether the One Line Sale or MIS Transition occurs:
 - In the event of a One Line Sale, all of their contributions since 14 April 2010 will be reimbursed with a premium;
 - Under the MIS Transition, no repayment of Mandatory Contributions will occur, and any arrears of contribution must be paid. The Deed Administrators will, if required to, exercise the Responsible Entity’s rights in respect of Grower defaults, which include forfeiture of the woodlot and/or its sale. Voluntary contributions will be refunded with a premium.
- Winding up of the 2002-2009 Managed Investment Schemes.

3.2 EXECUTION OF THE VARIED DOCAS AND IMPLEMENTATION DEED

The Varied DOCAs were executed before the Implementation Deed was executed. As noted in our Last Report and at the last Meetings of Creditors, while agreement had been reached “in principle”, some parts of that Deed had not been resolved at the end of June 2013.

As matters transpired, the Implementation Deed was not executed until 5 September 2013, and reflected some further negotiation about, and adjustment and refinement, of the proposed allocation of assets among pools available to different classes of creditors and Growers as well as resolution of drafting issues. We report on the financial effect of those adjustments below.

Creditors will recall from the Last Report that the terms of the Implementation Deed are confidential to the parties, who include the Deed Administrators, the Receivers, and the Banks. Beyond general terms, the matters that delayed the execution of the Deeds are also confidential. Those matters were mostly the “technical legal” matters referred to by Mr Silvia and Mr Sawyer, the Deed Administrators’ solicitor, at the last Meetings.

3.3 IMPLEMENTING THE SETTLEMENT PROPOSAL

The Implementation Deed requires, among other things, the following to occur, by dates specified in the Implementation Deed:

- Winding up of the Timberlands Fund;
- Amendment of the Constitutions and Project Agreements for the seven 1995-2001 Managed Investment Schemes. This in turn requires the convening of Grower meetings for each of those Schemes, accompanied by Explanatory Memoranda setting out extensive information for Growers about the effect, risks and benefits of the proposed amendments;
- Amendment to the Deeds of Company Arrangement concluded by two other companies in the FEA Group, Tasmanian Plantation Pty Limited and FEA Carbon Pty Limited to allow implementation of the Proposed Settlement;
- The provision of certain authorities and transactional documents by the Deed Administrators to the Secured Creditors;
- Winding up of the unviable 2002-2009 Managed Investment Schemes;
- ASIC granting certain relief deferring the appointment of the proposed New Responsible Entity of the 1995 – 2001 Schemes until, at least, settlement of the sale of the Internal Land can occur.

Other than execution of the Varied DOCAs, which had to occur before the old DOCAs expired, none of these steps could in practice occur before the Implementation Deed was executed.

Since execution of the Implementation Deed, the Deed Administrators and other parties to it have sought to carry out the terms of the Deed and have satisfied several of the Milestone requirements.

3.3.1 Grower Meetings

The most complex of the requirements is approval of amendments to the Constitutions of the Growers in the 1995 – 2001 Managed Investment Schemes and the possible replacement of those schemes’ Responsible Entity, FEAP, by a Macquarie entity.

These arrangements require the approval of Macquarie and the Secured Creditors, the preparation of an Explanatory Memorandum for each of the Schemes, and the holding, on three weeks’ notice, of meetings of the Growers in those scheme. Briefly, the Grower Meetings are required to consider amendments to the Constitutions of those Schemes in accordance with the Implementation Deed to:

- provide for what are termed the “One-line sale” and “Macquarie Transition”, reflecting the best overall return determined by the Receivers and the Sale Advisor;
- provide for payment into Pool B established under the Further Amended DOCAs from future harvest proceeds of amounts paid by the 2002-2009 Schemes for the common benefit of those schemes and the 1995-2001 Schemes;
- to approve the restructure; and
- to approve the possible appointment of a Macquarie company as Responsible Entity of those Managed Investment Schemes.

More information about Pool B is provided below.

The general nature of these amendments were outlined in our Last Report. Notices for these Meetings and the relevant Explanatory Memoranda are available here:

- 1995 http://briferrier.com.au/media/File/1995_EM_package_2392013.pdf
- 1996 http://briferrier.com.au/media/File/1996_EM_package_2392013.pdf
- 1997 http://briferrier.com.au/media/File/1997_EM_package_2392013.pdf
- 1998 http://briferrier.com.au/media/File/1998_EM_package_2392013.pdf
- 1999 http://briferrier.com.au/media/File/1999_EM_package_2392013.pdf
- 2000 http://briferrier.com.au/media/File/2000_EM_package_2392013.pdf
- 2001 http://briferrier.com.au/media/File/2001_EM_package_2392013.pdf

In mid October 2013, ASIC asked that the Deed Administrators provide further information to Growers about some of the matters reported on in the Explanatory Memoranda. To allow this to occur, the Scheme Meetings have been adjourned to Monday, 11 November 2013. Supplementary Explanatory Memoranda will be sent to members of these Schemes by the end of October.

Because of this adjournment, it is now unlikely that all the requirements of the Implementation Deed will occur before 30 October 2013, so that the Operative Date bringing into effect the Further Varied DOCAs will not occur before that date. This means the Companies will, unless creditors take action to amend the Varied DOCAs, return to the control of their directors. For reasons addressed extensively in past Reports this is neither a practical nor desirable outcome.

3.3.2 Winding Up Schemes 2002-2009

As well as convening meetings, the Deed Administrators will soon apply to the Federal Court for orders that the 2002-2009 Schemes be wound up. The Deed Administrators have formed the opinion that these schemes cannot be carried on for the benefit of Growers in them having regard to the current value of the trees, the uncertainty surrounding their security of title (which is linked to that of the earlier schemes), the time before which harvest could occur; the prospects for marketing the timber harvest; and the need to identify a Responsible Entity willing to accept the negative financial outcomes associated with running them. As currently structured, these schemes do not have funds available to meet their future commitments and there seems no way in which they are likely to obtain them.

The prospects of these schemes have been adversely affected by several factors, including:

- The climate in the areas where the plantations were established;
- The proximity of these plantations to established harvest and processing facilities;
- The proximity of these plantations to available ports;
- Projected cartage costs;
- The continued high Australian Dollar; and
- The subdued state of the timber products markets, and in particular the access FEAP and its Schemes have to those markets.

We expect to make these applications in the coming week.

3.3.3 Amendments to the Deeds of Company Arrangement and Financial Projections

The Implementation Deed as executed and Financial Projections differ somewhat from that expected at the time of drafting our Last Report. The Operative Deed of Company Arrangements need to be amended to reflect the following, in relation to the FEA Pool B, the fund to be distributed to Growers in Schemes 2002-2009:

- If the MIS Transition occurs, the Deed Administrators of the Pool will not have sufficient funds to hand to meet the transitional Grower Contribution payments required to acquire all of the FEA woodlots in the 1995-2001 Schemes, that is, those previously forfeited or otherwise owned by FEA, which are to become available to it. The requirement to meet on-going funding obligations means it will not be in the Pool's interest to acquire all these Woodlots. So many will be acquired and held as can be funded from available funding resources with the balance being sold to fund the continuing commitments.
- No share of the Timberlands Fund currently held by FEA will be contributed to Pool B if the MIS Transition occurs. A share will be contributed if the One Line Sale occurs;
- Pool B is to receive the reimbursement due from some of the Schemes to FEAP in respect of advances made for the benefit of those Schemes;
- FEA Pool B will hold any additional FEAP assets that may be recovered, including accrued receivables due from Growers not paid before the MIS Transition takes effect. Any residual FEA assets will remain in Pool A for the benefit of Unsecured Creditors of FEA and FEAP.

Other amendments are proposed in order to correct minor drafting infelicities and to ensure the Further Amended DOCAs reflect events as they have in fact transpired.

4 PROPOSED AMENDMENTS

In the Deed Administrators' view, it is likely that the outcome of the Meetings of the Growers in schemes 1995 – 2001 will be known by mid-November.

In these circumstances, the Deed Administrators propose that the Varied DOCAs be amended to provide that they will terminate on 29 November 2013, a date by which the Deed Administrators and the Secured Creditors can know with some certainty whether the Milestones will occur. This extension will be considered as the first motion at each Meeting.

If the Growers accept the reconstruction proposals so that all the Milestones occur, the Operative Date will occur, and the holding phase of the Varied DOCAs will end, and they will be replaced by the Further Amended DOCAs.

If Growers do not accept the reconstruction proposals, the Implementation Deed will be incapable of performance, and the Settlement Proposal will have failed. In this case, it is desirable that the Companies proceed smoothly and directly into Liquidation, on terms set out in the amendments to the Varied DOCAs. To provide flexibility with the ongoing administration of the Companies' affairs, the Deed Administrators recommend that creditors accept the second and third motions, dealing with liquidation and provision for the Committees of Inspection in the event liquidation eventuates.

The Deed Administrators also recommend the acceptance of the remaining amending resolutions, which will be moved "en bloc", to make amendments to the Varied DOCAs, in accordance with Annexure A.

The Deed Administrators consider the extension of the expiration date and the other amendments allow for the carrying out of the Proposed Settlement, and as such, provides a fair, practical and timely outcome for all Creditors and Growers and recommend that you vote in favour of all the resolutions.

5 ESTIMATES OF RETURNS TO GROWERS AND CREDITORS

As the Implementation Deed as executed reflected an adaptation of the Settlement Proposal as canvassed in the our Last Report, we consider it desirable to provide an updated projection of returns to the different classes of Creditors and Growers. Doing so also allows us to bring this information up to date. These projections reflect the position as at 31 August 2013, the most recent date at which fairly comprehensive information is available.

In preparing projections, it is necessary to make assumptions and estimates about what will occur in the future. This is an inherently uncertain process. The projections below have been prepared on the basis of the following principal assumptions:

- ▶ the Implementation Deed and Settlement Proposal are implemented without further significant delay, and there is no resumption of the litigation in respect of the matters proposed to be compromised in the Implementation Deed;
- ▶ there are no material adverse events in any relevant domestic or overseas supply or product market, or any significant deterioration in economic conditions, including commodity markets.
 - Growers will recall, as an example, that the product market was disrupted in 2011 by the Japanese tsunami; similar events would adversely affect returns to all parties;

- similarly, adverse changes in Australian and overseas financial markets could adversely affect the returns if, for example, interest rates were to rise significantly in the medium term, or the Australian Dollar experienced further valuation increases against the currencies in the markets into which the timber products are sold;
- ▲ the information about the state and extent of the timber plantations determined on a sample basis and reflected in the Woodstock modelling, fairly represents the state of the timber resource. The most recent comprehensive Woodstock model was prepared in January 2013. We have revised certain variables in the model on the basis of more recent information;
- ▲ the expected costs of cartage and availability of processing and export facilities remain materially unchanged; and
- ▲ there are no further material defaults in Grower Contributions.

The projections provided reflect the following main changes since our Last Report:

- ▲ better information about the price of timber products, where market prices remain subdued and have not returned to historical norms;
- ▲ increases in the expected harvest, reflecting projected deferral of harvest and growth yields;
- ▲ reductions in the estimated cost of the Deed Administrations;
- ▲ amendments in the modelling of net cash flow by the Schemes; and
- ▲ reallocation of certain assets among the parties to the Settlement Proposal

5.1 1994 SCHEME

We currently hold \$303,000 pending distribution in an interest-bearing account. We expect to make the final distribution in January 2014. Returns to Growers will be in the order of \$600 per Woodlot. The expected return has not changed materially since our Last Report.

5.2 TIMBERLANDS FUND

The Timberlands Fund will be realized as part of either the One Line Sale or the MIS Transition. Under either scenario, most of the realizations will be paid to FEA and through it, to the Secured Creditors, with respect to FEA's predominant interest in the Fund. Third-party members are projected to share a pool of between \$1.6 million and \$2 million, representing a return of between \$0.19 and \$0.24 per unit owned by Third Parties, that is, unit-holders in the Trust other than Forest Enterprise Australia and FEA Carbon.

The expected return has not changed materially since our Last Report.

Scheme	Low (\$)	High (\$)
Timberlands Fund	1,600,000	2,000,000

5.3 POOL A - UNSECURED CREDITORS AND RESIDUAL LEASE LIABILITIES

Other Unsecured Creditors of FEA and FEAP will participate in Pool A, which will be funded by a capped contribution from recoveries from the FEA Loan Book. The extent of distributions will depend on both the amount recovered and the extent of claims ultimately proved for. Assuming the admitted Creditor Claims are \$20 million, the estimates for returns are:

Low Return (¢ per \$ of Claim admitted)	High Return (¢ per \$ of Claim admitted)
6 cents	10 cents

These estimates have not changed since our Last Report.

5.4 1995 TO 2001 SCHEMES

We have prepared projections of the net return to Growers in these schemes reflecting either the One Line Sale or the MIS Transition. It will be recalled that which of these will proceed is a matter to be determined by the Receivers and the Sales Advisor on the basis of the overall price to be achieved. This has regard to the interests of others, in particular the Secured Creditors, in the realization of the assets of the FEA Group. The Settlement Proposal and Implementation Deed represent a compromise of those competing claims.

We have projected the total net return to Growers, and have ignored the issue of when that return will be paid. We are unable to say when returns will be made under either case, but in particular under the MIS Transition decisions about harvest will be taken by the new Responsible Entity. However, it is possible to observe that most Growers will receive a net return sooner under the One Line Sale than under the MIS Transition, while returns under the One Line Sale will be lower.

Many assumptions have been made in preparing these projections: they represent the Deed Administrators' best assessment of the likely states of affairs, however, as noted above, it must be remembered that actual returns are almost bound to differ from these projections as it is inherently unlikely that all events will transpire as assumed. We have sought to make assumptions that represent "median" assessments of likely ranges of outcomes, however returns will differ, possibly materially, depending on the extent to which events correspond to what has been assumed.

We have modelled a "High" and "Low" return for each realization option reflecting a fair estimate of the lower and higher prospects of return. These projections are not upper or lower bounds: it is quite possible that returns will exceed or fall below those projected.

Important elements in the modelling include:

- All values are 2013 Australian Dollars.
- The projected harvest volumes derive from the January 2013 Woodstock model, reflecting assessment of the cumulative growth in the timber. Among other matters, Woodstock identifies an optimal harvest time; it is possible that changes in seasonal growth since January has changed the optimum harvest time, however we have not sought to prepare a fresh Woodstock assessment: doing so is time-consuming and imposes additional cost. It is likely that under the MIS Transition the new Responsible Entity will undertake a further modelling of

optimum harvest times, which would make any Woodstock assessment undertaken now redundant. The Deed Administrators are unable to verify the Woodstock modelling to timber growth on the Internal Land. We take comfort in the correspondence between the modelling and the harvest obtained by the Harvest Contractor on External Land;

- ▶ Estimates of the Gross Harvest Value, Average Harvest costs, Harvest Administration Fees and Cartage costs. These cannot be disclosed for reasons of commercial sensitivity.
- ▶ Markets can be found at the projected prices for all timber proposed to be harvested. As noted in previous reports, there have been significant disruptions and other changes in the Australian timber products markets since 2010.
- ▶ There is no material default by Growers in performance of their obligations under the MIS Transition, that is, substantially all Grower Contributions are made on a timely basis and that non-payments do not materially adversely affect the performance of the schemes.
- ▶ In terms of the One Line Sale, the combined land and trees reflect lower and higher estimates of expected prices. These prices have not been included as doing so may breach confidentiality requirements and might be prejudicial to the sales process.

The projected net returns arrived are summarised below.

5.4.1 One Line Sale - Land and Trees sold

Under the One Line Sale, no further Grower Contributions will be levied, although past Contributions remain payable. FEAP may appropriate amounts due to Growers who have not made Contributions to recoup those liabilities, although if any amount remains unpaid Growers remain fully liable for the shortfall.

In addition to the returns set out below, Grower Contributions (but not Insurance Contributions) made after the appointment of the Deed Administrators in April 2010 will also be returned, together with a premium in lieu of interest. The amount returned will depend on the amount contributed.

The table on the following page also shows, for comparison, the estimates provided in our Last Report in italic type.

Scheme	<i>Last Report - Net estimates</i>		October 2013 – Net Estimates	
	<i>Low</i>	<i>High</i>	<i>Low</i>	<i>High</i>
	<i>(\$ per Woodlot)</i>	<i>(\$ per Woodlot)</i>	<i>(\$ per Woodlot)</i>	<i>(\$ per Woodlot)</i>
1995	239	605	300	718
1996	649	1,408	535	1,283
1997	746	1,461	246	590
1998	776	1,520	286	685
1999	234	446	182	437
2000	315	656	314	752
2001	46	198	139	333

It will be observed that most returns have changed, although some by relatively small amounts. One return has increased moderately, while several have fallen.

The changes reflect:

- ▲ changes in the modelling approach adopted;
- ▲ downward revisions in the estimate of the current value of the standing timber;
- ▲ the allocation of common costs on the basis of projected Continuing Area;
- ▲ improved information about growth; and
- ▲ changes in the estimated harvest dates.

5.4.2 Schemes Continue under the MIS Transition

Under the MIS Transition further Grower Contributions will be required. These have been explained in detail in the Explanatory Memoranda sent directly to Growers in the relevant Schemes and available from the links provided above.

The projections below reflect further modelling conducted since the dispatch of the Explanatory Memoranda, and therefore differ slightly from it. This modelling will be explained further in the Supplementary Explanatory Memoranda to be dispatched.

Net returns, that is after accounting for future Grower Contributions, have been calculated but have not been apportioned to expected payment periods. These returns are to be expected over varying terms of between 1 to 5 years.

In addition to the returns set out below, Voluntary Grower Contributions made after the appointment of the Deed Administrators in April 2010 will also be returned, with a premium. The amount returned will depend on the amount contributed.

The table below also shows, for comparison, the estimates provided in our Last Report in italic type.

Scheme	<i>Last Report - Net estimates</i>		October 2013 - Net estimates	
	<i>Low Return</i>	<i>High Return</i>	Low Return	High Return
	<i>(\$ per Woodlot)</i>	<i>(\$ per Woodlot)</i>	(\$ per Woodlot)	(\$ per Woodlot)
1995	296	1,425	961	2,274
1996	1,661	3,329	1,968	3,770
1997	1,741	3,233	764	1,715
1998	1,819	3,414	671	1,790
1999	1,013	1,259	940	1,335
2000	1,403	1,918	1,673	2,496
2001	810	836	868	1,092

The modelling also reflects the factors referred to in respect of modelling of returns under a One Line Sale.

5.5 POOL B – 2002 TO 2009 GROWERS

The Deed Administrators have assessed that FEA Schemes 2002-2009 are not, on current projections, viable or likely to become so. It is not possible for FEAP to continue to conduct the schemes and no alternative Responsible Entity has been identified which would accept appointment. As well as the intrinsic economics of these schemes – the location and value of the timber – factors relating to the collapse of the FEA Group, in particular, the security of the tenure of the woodlots allocated by the FEA Group to Growers has been disputed and was the centre of the litigation proposed to be compromised in the Settlement Proposal. The Deed Administrators are preparing to apply for the winding up of these Schemes and expect to do so in the coming week.

Under the Settlement Proposal and the Implementation Deed, Growers in these Schemes will be admitted as claimants on a fund to be established under the Further Amended DOCAs referred to as Pool B. Pool B will comprise:

- Trees in the Schemes 1995-2001 owned by FEA
- A contribution from the Timberlands Trust Fund (but under a One Line Sale only)
- Any proceeds recovered by the Deed Administrators from the sale of the FEA Corporate Shell
- Amounts to be paid by the 1995-2001 Schemes in respect of costs incurred for the common benefit of those schemes and these schemes between 2010 and the Operative Date
- Amounts to be recouped from remaining assets of FEAP, including some outstanding Grower Contributions

The projected returns are:

	One Line Sale		MIS Transition	
	Low	High	Low	High
	(\$ per woodlot)	(\$ per woodlot)	(\$ per woodlot)	(\$ per woodlot)
2002 to 2009 Growers	35	63	67	93

Comparable estimates for each of the sale outcomes were calculated but not set out in our Last Report. The lower Low estimate has fallen from \$39 to \$35 per woodlot and the higher High estimate from \$162 to \$93, for the reasons already given in respect of the other estimates.

5.6 POOL C

The Further Amended DOCAs and Implementation Deed provide for a Pool C, to receive any surplus after discharge of the Secured Creditors' claims in full. The Deed Administrators consider it is unlikely that Pool C will come into existence and have not projected any return to Creditors from it. If the pool comes into existence it will serve to equalise the dividends.

6 NOTICE OF MEETINGS OF CREDITORS

We have convened separate Meetings of the Creditors of FEA and FEAP ("the Meetings") to deal with the business set out in the respective Notices of the Meetings.

Audio feeds will be provided by webcast as detailed in the Notices of Meetings. Telephone conference facilities will not be available at these meetings. It is only possible to attend the meetings in person or by appointing a proxy.

- ▲ The Meeting of FEAP Creditors, including Growers, has been convened as follows:

Notice of this Meeting is attached as **Annexure 1**.

- ▲ The Meeting of FEA Creditors, including Growers, has been convened as follows:

Notice of this Meeting is attached as **Annexure 2**.

6.1 PROXY AND PROOF OF DEBT FORMS

Annexure 3 and **Annexure 4** are the Proxy and Proof of Debt forms for the FEAP Creditors Meeting and **Annexure 5** and **Annexure 6** are the Proxy and Proof of Debt Forms for the FEA Creditors Meeting.

Proof and Proxy forms should be returned to the offices of BRI Ferrier in Sydney by 1 pm Sunday, 27 October 2013.

Creditors and Growers need only lodge Proof of Debt forms if they have not done so previously during the Voluntary or Deed Administrations, that is, Proof of Debt form "carry over" from past meetings. Creditors and Growers are encouraged to call the Deed Administrators to confirm whether a Proof of Debt form has been received and registered.

These meetings are separate to the Grower Meetings convened in respect of the 1995-2001 Schemes, which remain on foot.

Creditors wishing to participate in the Meetings, but who cannot attend personally, should complete the relevant Proxy form. Representatives of corporate Creditors attending the Meetings should also complete the respective Proxy Forms.

Creditors and Growers who wish to attend the Meetings of Creditors by proxy must lodge fresh Proxy documents; Proxy forms *do not* “carry over” from past Meetings.

The Deed Administrators encourage Creditors, including Growers, to complete and return the relevant forms so that the widest possible range of views is represented at the Meetings.

The Deed Administrators have previously determined that, in their view, Growers are likely to be contingent Creditors of the Companies and are entitled to submit Proxies and Proof of Debt claims against both FEA and FEAP.

Landlords, Secured and Unsecured Creditors are entitled to participate in both Meetings to the extent that they are Creditors of each of the Companies.

If Creditors do not approve the extension of the Varied DOCAs, the Deed Administrators will propose a resolution that each company be placed in liquidation.

It will not be possible to adjourn these meetings because of the proximity of the expiration of the holding phase of the Varied DOCAs to the meeting.

7 DEED ADMINISTRATORS' RECOMMENDATION

The Deed Administrators recommend that all Creditors and Growers vote in favour of the extension of the holding period of the Varied DOCAs and the other amendments to the Varied DOCAs.

The proposed extension of the operation of the holding term will allow, although not guarantee, the continuation of the Varied DOCAs, so that the Implementation Deed can be fully carried into effect. For reasons canvassed extensively in the past, and in particular in our last Report, this is the path that is likely to maximise the return to all Creditors and Growers.

The Deed Administrators do not recommend returning the Companies to the control of the Directors. Both FEA and FEAP are insolvent, and the Directors would be obligated to place the Companies back into either Voluntary Administration or Liquidation.

Should the Creditors and Growers not approve the extension of the Varied DOCAs, the Deed Administrators recommend that the Companies should be wound up. Winding up will preserve the Relation Back Date and ensure there is continuity in the administration of the Companies' affairs. The Deed Administrators are well versed in the affairs of the Companies and consider they would be best placed to carry out their Liquidation, albeit reluctantly.

In the Deed Administrators' view, although Creditors and Growers are entitled to seek the appointment of alternative liquidators, the cost of introducing new appointees at this point would outweigh any

possible benefit. They therefore recommend that they become the Companies' Liquidators should they enter liquidation.

8 DEED ADMINISTRATORS' SUMMARY ACCOUNT OF RECEIPTS AND PAYMENTS

During the Administration, there have been no Receipts and Payments for FEA; all of its known assets are the subject of charges in favour of the Banks.

A detailed analysis of FEAP's Receipts and Payments up to 30 September is attached as **Annexure 7**.

In summary, the Deed Administrators have received \$34.8 million, inclusive of Grower Contributions, and have paid out \$32.7 million, including amounts paid out on behalf of the Schemes.

Full particulars of all Receipts and Payments are reported to the Australian Securities and Investments Commission half yearly. Copies of the reports lodged are available on request.

9 REMUNERATION

9.1 DEED ADMINISTRATORS

Should Creditors vote to extend the DOCAs, then we propose to continue to seek approval of their remuneration by the Committees of Inspection.

9.2 LIQUIDATORS

If the Companies proceed into Liquidation, we propose that the responsibility for considering and approving Remuneration should be left to Committees of Inspection. It will be necessary to form new Liquidation Committees at the Meetings if the Companies proceed directly into Liquidation, and provision is made in the proposed amendments to the Varied DOCAs to appoint the existing Committees to become Committees in the Liquidations until the first general Meetings of Creditors are held.

The Committees, which as noted are representative of Creditors and Grower-Investors, can, as a small group, operate more effectively and apply greater scrutiny to these issues than can a large body of Creditors.

If the Deed Administrators become the Liquidators, we would seek to be remunerated in the same way as has been adopted in the Deed Administration, which is to say on a Time-Cost basis at an agreed Scale. Further information about Remuneration and disclosures has been set out in past Reports to the Creditors. Information about the process of approval is available here:

[http://www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/Approving_fees_guide_for_creditors.pdf/\\$file/Approving_fees_guide_for_creditors.pdf](http://www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/Approving_fees_guide_for_creditors.pdf/$file/Approving_fees_guide_for_creditors.pdf)

10 BRI FERRIER KEY CONTACTS

All BRI Ferrier staff can be contacted on 02 8263 2300. The principal contacts are Mr Matthew Jacobs and Ms Alva Zeng.



BR SILVIA
Deed Administrator

Encl.

**APPENDIX A - AMENDMENTS TO FEA/FEAP
DEEDS OF COMPANY ARRANGEMENT TO REFLECT IMPLEMENTATION DEED**

- 1.1 In both the varied and further varied Deed of Company Arrangement for both FEA and FEAP, the definition of 'Implementation Deed' should be amended to read:

'Implementation Deed' means the Deed dated 5 September 2013 between FEA, FEAP, Tasmanian Plantation Pty Ltd, FEA Carbon Pty Ltd, the Receivers, the Deed Administrators and the Secured Creditors as varied by a further deed made 18 September 2013 by the same parties.

- 1.2 The FEA Further Varied Deed of Company Arrangement be amended to vary the following definitions:

- 1 'FEA Trees Sum' to be deleted and replaced by:

'FEA Trees' means the proceeds referred to in clause 16 of the Implementation Deed

- 2 The definition 'Pool B Assets' be deleted and replaced by:

'Pool B assets means:

- 1 *All entitlements to the FEA Trees*

- 2 *The Timberland Trust Sum*

- 3 *The proceeds of a sale by the Deed Administrators of the corporate shell of FEA*

- 4 *Amounts to be paid to FEA pursuant to clause 6.2 of the Constitutions of each of the Schemes referred to in Schedule A which Constitutions are to be put before meetings of members of those Schemes on 11 November 2013*

- 5 *The Residue.*

Where Residue means such part of amounts received by the Deed Administrators as referred to in clause 6(c)(i) of the Implementation Deed not expended as at 30 October 2013 together with the amount referred to in clause 6(c)(ii) of that Deed.

- 3 'Timberland Trust Sum' is to be deleted and replaced by:

'Timberland Trust Sum' means the amount or amounts received by the Deed Administrators (if any) which represents a share of the net proceeds of FEA's interests as a member of the FEA Timberlands Fund ARSN 126 971 462.'

- 1.3 Clause 17.3.2 is to be deleted and replaced by:

'17.3.2 Secondly, to the FEA Ordinary Creditors and the FEAP Ordinary Creditors, on a pari passu basis, distributed in the amounts and on the dates determined by the Deed Administrators in their absolute discretion provided that any claim of a landlord in respect of a lease of land utilized by the 2007 Scheme

(ARSN 125 108 063) is to be capped at 15% of the total claim of that landlord and any claim by a landlord in respect of a lease of land utilized by the 2008 Scheme (ARSN 129 750 296) is to be capped at 25% of the total claim of that landlord.'

1.4 Clause 17.4 is to be deleted and replaced by:

'17.4' The Pool B assets are to be applied as follows:

- 17.4.1 First in repayment of voluntary contributions to those of the Schedule B Grower Investors who made voluntary contributions to the Deed Administrators, repayment of which is to be funded pro-rata by each of the Schemes referred to in Schedule A.*
- 17.4.2 Secondly, to the Schedule B Grower Investors on a par passu basis, distributed in the amounts and on the dates determined by the Deed Administrators in their absolute discretion.*
- 17.4.3 Thirdly, to the Voluntary Administrators and the Deed Administrators in relation to any amounts owing to them and unpaid pursuant to the terms of the Deed, to the extent to which they were to be afforded priority in a winding up of FEA.'*

Annexure 1

FORM 529
CORPORATIONS ACT 2001

Subregulation 5.6.12(2)

NOTICE OF MEETING OF CREDITORS TO VARY DEED OF COMPANY ARRANGEMENT

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

NOTICE is given that a Meeting of the Creditors of the Company will be held at the Grand Chancellor Hotel, 29 Cameron Street, Launceston, Tasmania, 7250 on Tuesday, 29 October 2013 at 10:30 am for the purpose of Section 445F of the Corporations Act 2001.

The Meeting will also be broadcasting live on the internet from the following website:

<http://www.brrmedia.com/event/117280/>

AGENDA

1. To receive and discuss the Deed Administrators' Report to Creditors dated 21 October 2013.
2. To consider the following motions:
 - a) That sub-clause clause 4.1.4 of the FEA Plantations Limited Deed of Company Arrangement be varied to replace "30 October" with "29 November".
 - b) To insert a new clause, 4A, dealing with transition to liquidation, immediately after clause 4:

4A Termination of this Deed in accordance with clause 4.1.4 shall be a circumstance in which FEAP shall be wound up in accordance with Corporations Regulation 5.3A.07(b).
 - c) To insert a new clause, 4B, dealing with continuation of the Committee of Inspection, immediately after clause 4A:

4B Should FEAP be wound up under clause 4A, the Committee of Inspection shall become the Committee of Inspection of the Liquidation until the end of the first meeting of the creditors of the company convened following the termination of this Deed.
 - d) To amend the Varied Deeds of Company Arrangement to reflect the terms of Appendix A to the Deed Administrators' Report dated 21 October 2013.
3. And, if motion (a) does not pass, to consider the following motions:
 - a) "That the Company be wound up"
 - and
 - b) "That a Committee of Inspection be appointed"
4. Any other business that may be lawfully brought forward.

We attach a proxy form that should be used by Creditors in the following circumstances:

- i. Creditors who are unable to attend the meeting but wish to appoint someone to vote on their behalf.
- ii. Representatives of Creditors that are companies.

In this case the Creditor company should:

- i. Execute the proxy under its common seal; or
- ii. Have the proxy signed by 2 directors or by a director and the secretary; or
- iii. Have the sole director sign the proxy if applicable; or
- iv. 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.

In accordance with Regulation 5.6.23(1) of the Corporations Regulations, Creditors will not be entitled to vote at this meeting unless they have previously lodged particulars of their claim against the Company with the Deed Administrators.

Particulars or proofs lodged in the past are effective for this meeting. You only need to provide further particulars now if you wish to participate in this meeting and have not previously provided them.

Creditors' proxies and/or proof of debt forms must be delivered to this office by 1 pm on Sunday, 27 October 2013 in the post, by facsimile on (02) 8263 2399, or via email to fea@briferriernsw.com.au (with "Proxy" and/or "Proof of Debt" in subject line).

DATED this 21st day of October 2013.



BRIAN SILVIA

Joint and Several Deed Administrator
BRI FERRIER (NSW) PTY LTD
Level 30
264 George Street
Sydney NSW 2000

Annexure 2

FORM 529
CORPORATIONS ACT 2001

Subregulation 5.6.12(2)

NOTICE OF MEETING OF CREDITORS TO VARY DEED OF COMPANY ARRANGEMENT

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

NOTICE is given that a Meeting of the Creditors of the Company will be held at the Grand Chancellor Hotel, 29 Cameron Street, Launceston, Tasmania, 7250 on Monday, 29 October 2013 at 12.30 pm for the purpose of Section 445F of the Corporations Act 2001.

The Meeting will also be broadcasting live on the internet from the following website:

<http://www.brrmedia.com/event/117282/>

AGENDA

1. To receive and discuss the Deed Administrators' Report to Creditors dated 21 October 2013.
2. To consider the following motions:
 - a) That sub-clause clause 4.1.4 of the FEA Limited Deed of Company Arrangement be varied to replace "30 October" with "29 November".
 - b) To insert a new clause, 4A, dealing with transition to liquidation, immediately after clause 4:

4A Termination of this Deed in accordance with clause 4.1.4 shall be a circumstance in which FEA Ltd shall be wound up in accordance with Corporations Regulation 5.3A.07(b).
 - c) To insert a new clause, 4B, dealing with continuation of the committee of inspection, immediately after clause 4A:

4B Should FEA Ltd be wound up under clause 4A, the Committee of Inspection shall become the Committee of Inspection of the Liquidation until the end of the first meeting of the creditors of the company convened following the termination of this Deed.
 - d) To amend the Varied Deeds of Company Arrangement to reflect the terms of Appendix A to the Deed Administrators' Report dated 21 October 2013.
3. And, if motion (a) does not pass, to consider the following motions:
 - a) "That the Company be wound up";
 - and
 - b) "That a Committee of Inspection be appointed"
4. Any other business that may be lawfully brought forward.

We attach a proxy form that should be used by Creditors in the following circumstances:

- i. Creditors who are unable to attend the meeting but wish to appoint someone to vote on their behalf.
- ii. Representatives of Creditors that are companies.

In this case the Creditor company should:

- i. Execute the proxy under its common seal; or
- ii. Have the proxy signed by 2 directors or by a director and the secretary; or
- iii. Have the sole director sign the proxy if applicable; or
- iv. 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.

In accordance with Regulation 5.6.23(1) of the Corporations Regulations, Creditors will not be entitled to vote at this meeting unless they have previously lodged particulars of their claim against the Company with the Deed Administrators.

Particulars or proofs lodged in the past are effective for this meeting. You only need to provide further particulars now if you wish to participate in this meeting and have not previously provided them.

Creditors' proxies and/or proof of debt forms must be delivered to this office by 1 pm on Sunday, 27 October 2013 in the post, by facsimile on (02) 8263 2399, or via email to fea@briferriernsw.com.au (with "Proxy" and/or "Proof of Debt" in subject line).

DATED this 21st day of October 2013.



BRIAN SILVIA

Joint and Several Deed Administrator
BRI FERRIER (NSW) PTY LTD
Level 30
264 George Street
Sydney NSW 2000

Annexure 3

Please indicate if you are a Creditor, Grower or Landlord and send to BRI Ferrier 1 pm on Sunday, 27 October 2013
 Email: fea@briferriernsw.com.au (Please include "Proxy" in subject line);
 Fax: 02 8263 2399; Post: GPO Box 7079 Sydney NSW 2001

FORM 532
 Corporations Act 2001
 APPOINTMENT OF PROXY

Regulation 5.6.29

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

*I/*We (1)..... (Grower number if applicable) of
 a creditor of FEA Plantations Limited, appoint
 (2)..... or in his or her absenceas *my/our
 general/special proxy to vote at the Meeting of Creditors of the Company to be held at the Grand Chancellor Hotel, 29
 Cameron Street, Launceston, Tasmania, 7250, on Tuesday, 29 October at 10:30am, and at any adjournment of that
 meeting.

To vote as follows: (3)

(Not required if a general proxy)

RESOLUTION		FOR	AGAINST	ABSTAIN
A	<i>That sub-clause clause 4.1.4 of the FEA Plantations Limited Deed of Company Arrangement be varied to replace "30 October" with "29 November".</i>			
B	To insert a new clause, 4A, dealing with transition to liquidation, immediately after clause 4: <i>4A Termination of this Deed in accordance with clause 4.1.4 shall be a circumstance in which FEAP shall be wound up in accordance with Corporations Regulation 5.3A.07(b).</i>			
C	To insert a new clause, 4B, dealing with continuation of the Committee of Inspection, immediately after clause 4A: <i>4B Should FEAP be wound up under clause 4A, the Committee of Inspection shall become the Committee of Inspection of the Liquidation until the end of the first meeting of the creditors of the company convened following the termination of this Deed.</i>			
D	To amend the Varied Deeds of Company Arrangement to reflect the terms of Appendix A to the Deed Administrators' Report dated 21 October 2013.			
E	<i>(Only if Resolution 1 is not passed)</i> That the Company be wound up.			
F	<i>(If Creditors resolve that the Company be wound up)</i> That a Committee of Inspection be appointed.			

A specific proxy operates as a general proxy in respect of any other resolution put to the meeting of creditors. **If you do not want your specific proxy to operate in this way, please tick this box.**

The person so appointed as *my/*our *general/*special proxy is herewith authorised to accept nomination as a member of the Committee of Inspection, should he or she be so nominated or appointed.

Annexure 3

Please indicate if you are a Creditor, Grower or Landlord and send to BRI Ferrier 1 pm on Sunday, 27 October 2013

Email: fea@briferriernsw.com.au (Please include "Proxy" in subject line);

Fax: 02 8263 2399; Post: GPO Box 7079 Sydney NSW 2001

HOW TO COMPLETE THIS FORM

1. Insert the creditor's name, address and grower number (if applicable).
 2. Insert the name of the person appointed as proxy. If left blank, the proxy will be treated as in favour of the Chairman.
 3. To vote by special proxy tick the box next to the desired option.
- * A Creditor (including a Grower) may vote in person or by appointing a general or special proxy. A general proxy has authority to vote at the meeting. A special proxy must vote in accordance with any instructions given to the proxy.
-

DATED (4) Signature
(If Company - Sign under Seal)

Proxies should be returned to the offices of BRI Ferrier, GPO Box 7079, SYDNEY NSW 2001 by 1 pm on Sunday, 27 October 2013.

CERTIFICATE OF WITNESS (5) -(to be completed only where person giving proxy is blind or incapable of writing)

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 before he attached his signature or mark to the instrument.

DATED thisday of 2013

Signature of Witness.....

Description

Place of Residence

Annexure 4

FORM 535
CORPORATIONS ACT 2001

Subregulation 5.6.49(2)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

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

To the Deed Administrators of FEA Plantations Limited

1. This is to state that the company was, on 14 April 2010 and still is, justly and truly indebted to⁽¹⁾
.....
..... (Grower number if applicable.....) for
.....dollars andcents.

Particulars of the debt are:

Date	Consideration ⁽²⁾	Amount \$	GST incl \$	Remarks ⁽³⁾
------	------------------------------	--------------	----------------	------------------------

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:⁽⁴⁾

3.^{(5)*} 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.^{(5)*} 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

Signature of Signatory.....

NAME IN BLOCK LETTERS(Please indicated if you are a creditor, grower or landlord.)

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		TOTAL PROOF	\$
DATE AUTHORISED / /			

Annexure 4

Directions

- * Strike out whichever is inapplicable.
- (1) 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.
- (2) 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".
- (3) Under "Remarks" include details of vouchers substantiating payment.
- (4) 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
	\$	¢		

-
- (5) 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 5

Please indicate if you are a Creditor, Grower or Landlord and send to BRI Ferrier by 1 pm on Sunday, 27 October 2013

Email: fea@briferriernsw.com.au (Please include "Proxy" in subject line);
 Fax: 02 8263 2399; Post: GPO Box 7079 Sydney NSW 2001

FORM 532
 Corporations Act 2001
 APPOINTMENT OF PROXY

Regulation 5.6.29

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

*I/*We (1)..... (Grower number if applicable)
 of a creditor of Forest Enterprises Australia Limited, appoint
 (2)..... or in his or her absenceas
 *my/our general/special proxy to vote at the Meeting of Creditors of the Company to be held at the Grand
 Chancellor Hotel, 29 Cameron Street, Launceston, Tasmania, 7250, on Tuesday, 29 October 2013 at 12:30 pm,
 and at any adjournment of that meeting.

To vote as follows: (3)

Not required if a general proxy)

RESOLUTION	FOR	AGAINST	ABSTAIN
A That sub-clause clause 4.1.4 of the Forest Enterprises Australia Limited Deed of Company Arrangement be varied to replace "30 October" with "29 November".			
B To insert a new clause, 4A, dealing with transition to liquidation, immediately after clause 4: <i>4A Termination of this Deed in accordance with clause 4.1.4 shall be a circumstance in which FEA Ltd shall be wound up in accordance with Corporations Regulation 5.3A.07(b).</i>			
C To insert a new clause, 4B, dealing with continuation of the Committee of Inspection, immediately after clause 4A: <i>4B Should FEA Ltd be wound up under clause 4A, the Committee of Inspection shall become the Committee of Inspection of the Liquidation until the end of the first meeting of the creditors of the company convened following the termination of this Deed.</i>			
D To amend the Varied Deeds of Company Arrangement to reflect the terms of Appendix A to the Deed Administrators' Report dated 21 October 2013.			
E <i>(Only if Resolution A is not passed)</i> That the Company be wound up.			
F <i>(If Creditors resolve that the Company be wound up)</i> That a Committee of Inspection be appointed.			

A special proxy operates as a general proxy in respect of any other resolution put to the meeting of creditors. **If you do not want your specific proxy to operate in this way, please tick this box.**

The person so appointed as *my/*our *general/*special proxy is herewith authorised to accept nomination as a member of the Committee of Inspection, should he or she be so nominated or appointed.

Annexure 5

Please indicate if you are a Creditor, Grower or Landlord and send to BRI Ferrier by 1 pm on Sunday, 27 October 2013

Email: fea@briferriernsw.com.au (Please include "Proxy" in subject line);

Fax: 02 8263 2399; Post: GPO Box 7079 Sydney NSW 2001

HOW TO COMPLETE THIS FORM

1. Insert the creditor's name, address and grower number (if applicable).
 2. Insert the name of the person appointed as proxy. If left blank, the proxy will be treated as in favour of the Chairman.
 3. To vote by special proxy tick the box next to the desired option.
- * A Creditor (including a Grower) may vote in person or by appointing a general or special proxy. A general proxy has authority to vote at the meeting. A special proxy must vote in accordance with any instructions given to the proxy.

DATED (4) Signature
 (If Company - Sign under Seal)

Proxies should be returned to the offices of BRI Ferrier, GPO Box 7079, SYDNEY NSW 2001 by 1 pm on Sunday, 27 October 2013.

CERTIFICATE OF WITNESS (5) -(to be completed only where person giving proxy is blind or incapable of writing)

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 before he attached his signature or mark to the instrument.

DATED thisday of 2013

Signature of Witness.....

Description

Place of Residence

Annexure 6

FORM 535
CORPORATIONS ACT 2001

Subregulation 5.6.49(2)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

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

To the Deed Administrators of Forest Enterprises Australia Limited

1. This is to state that the company was, on 14 April 2010 and still is, justly and truly indebted to⁽¹⁾
.....
..... (Grower number if applicable.....) for
.....dollars andcents.

Particulars of the debt are:

Date	Consideration ⁽²⁾	Amount \$	GST incl \$	Remarks ⁽³⁾

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.⁽⁴⁾
- 3.^{(5)*} 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.^{(5)*} 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

Signature of Signatory.....

NAME IN BLOCK LETTERS(Please indicated if you are a creditor, grower or landlord.)

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		TOTAL PROOF	\$
DATE AUTHORISED / /			

Annexure 6

Directions

- * Strike out whichever is inapplicable.
- (1) 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.
 - (2) 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".
 - (3) Under "Remarks" include details of vouchers substantiating payment.
 - (4) 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
	\$	¢		

-
- (5) 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 7 - Abridged Account of Receipts and Payments

Forest Enterprises Australia Ltd

(Receivers and Managers Appointed)(Subject to Deed of Company Arrangement)

- No Receipts or Payments by the Deed Administrators

FEA Plantation Ltd (Receivers appointed)(Subject to Deed of Company Arrangement)

(Prepared on a straight line consolidated basis, that is, recording both Payments to and by Schemes as separate reporting entities)

Receipts to 30 September 2013	(\$)
<i>Grower Receipts, comprising Voluntary and Compulsory Contributions and Insurance payments</i>	<u>25,257,593.81</u>
<i>Other Receipts</i>	
Cash at bank at appointment	2,383,257.02
Harvest proceeds	1,125,018.53
Other Receipts	<u>2,445,216.43</u>
Total Other Receipts	5,953,491.98
<i>Total General Fund Receipts from Schemes</i>	<u>3,587,099.91</u>
TOTAL RECEIPTS	<u><u>\$34,798,185.69</u></u>
Payments made to 30 September 2013	
Total Payments allocated to Scheme Pools	<u>18,712,793.31</u>
Total Payments - other	<u>14,003,748.52</u>
TOTAL PAYMENTS	<u><u>\$32,716,541.83</u></u>
CASH BALANCE	<u><u>\$2,081,643.86</u></u>

More complete accounts are available on request