

**BETTER OUTCOMES
THROUGH EXPERIENCE**

**TASMANIAN FORESTS TRUST NO 5 (1997)
ARSN 093 165 050**

**MEETING OF MEMBERS
11 November 2013**

**CONVENED BY FEA PLANTATIONS LIMITED AS RESPONSIBLE ENTITY
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)
(RECEIVERS APPOINTED)**

BRI Ferrier

Business Reconstruction & Insolvency

Sydney | Melbourne | Brisbane | Perth | Adelaide | Townsville | Cairns | Hong Kong

Agenda

1. Introduction
2. Purpose of Meeting
3. Background Information
4. Deed Administrators' Update
5. Settlement Proposal – Sale Process Options
6. Estimated Return to Growers per Woodlot
7. MIS Transition
 - Summary of Fees and Charges
 - Key Risks
 - Conditions Precedent
8. Deed Administrators' Comments on Proposed Resolutions
9. Resolutions
10. Questions

1. Introduction

- ▲ Introductions: Deed Administrators
- ▲ Corporate Regulations:
 1. Resumed Meeting convened by Notice dated 23 September 2013 pursuant to Section 252A of Corporations Act 2001.
 2. Time and place of Meeting.
 3. Quorum.
 4. Voting:
 - ▲ Poll required for Special and Extraordinary Resolutions
 - ▲ On a poll, each Grower (identified by a Grower Number) has one vote for each dollar of the value of the total interest they have in the Scheme
 - ▲ Value of each Grower's vote determined by number of woodlots held

2. Purpose of Meeting

- ▶ To receive Explanatory Memorandum (“EM”) dated 23 September 2013 and Supplementary Explanatory Memorandum (“Supplementary EM”) dated 1 November 2013
- ▶ To consider the contents of both EMs and Supplementary EM and the proposed amendments to the current Scheme Constitutions as outlined therein
- ▶ For Members to consider, and if thought fit, pass the resolutions detailed below
- ▶ Any other business that may be lawfully brought forward

3. Background Information

- ▲ Company into Voluntary Administration on 14 April 2010 and subsequently Deed of Company Arrangement (“DOCA”) on 14 December 2010
- ▲ From April 2010 until late 2012, protracted legal disputes between Deed Administrators representing Creditors and Growers and the Receivers
- ▲ Mediation between Deed Administrators and Banks began in October 2012
- ▲ In June 2013, Deed Administrators and Banks reached in principle commercial agreement to a Settlement Proposal
- ▲ On 28 June 2013, FEAP and FEA Varied DOCAs approved by Creditors including Growers
- ▲ On 5 September 2013, Implementation Deed executed by Banks and Deed Administrators concerning sale process and asset distribution to Growers – One-Line Sale vs MIS Transition
- ▲ On 23 September 2013, EM and Scheme Meeting Notice issued

4. Deed Administrators' Update

- ▲ 23 September 2013 to 10 October 2013, various financial advisor meetings, Grower Online Information Session, FEA Growers Group telephone conferences, and COI Meeting were held
- ▲ On 9 October 2013, ASIC in considering the application for relief regarding MIS Transition raised queries in writing about information in the EM
- ▲ On 17 October 2013, Scheme Meeting was adjourned to 11 November 2013
- ▲ ASIC subsequently indicated it did not require a Supplementary EM. However, the Deed Administrators were prepared to issue an update to Growers.
- ▲ On 29 October 2013, FEAP and FEA Creditors approved the amendments to Varied DOCAs and its extension to 29 November 2013
- ▲ On 1 November 2013, Supplementary EM issued, providing:
 - More information about the Settlement proposal;
 - Notifying Growers of the Adjourned Scheme Meeting; and
 - Outlining proposed amendments to the Resolution 2 as contained in the Original EM

5. Settlement Proposal – Sale Process Options

Option 1 – One Line Sale

- In the first instance, the Internal land owned by entities in the FEA Group and the trees planted on it will be offered for sale together, with a share of the net proceeds being paid to Growers. This is called a “One-line Sale”.

Option 2 – MIS Transition

- A Macquarie Group entity (“Macquarie”) may become the Responsible Entity of the 1995 to 2001 Schemes and continue them until harvest, sale or wind-up, under lease arrangements with new owner/s of the Internal Land. If Macquarie is to be appointed, the Schemes will need to amend their Constitutions and related documents to provide for more commercially practical lease and management arrangements.

Buyers will be able to make an offer for the land under either or both scenarios

The outcome of the sale process will be determined by the Receivers based on the bids received and the Sale Advisor’s advice

6. Estimated Return to Growers per Woodlot

Project 1997

Projection	Estimated Return Per Woodlot					
	One Line Sale		MIS Transition Option 1		MIS Transition Option 2	
	Low	High	Low	High	Low	High
Original EM	236	643	1,142	2,031	1,142	2,031
Gross Distribution as per Original EM						
<u>Less:</u> Required Grower Contributions to New RE to Clear Fall Harvest	-	-	(436)	(436)	(419)	(419)
Estimated Net Distribution	\$236	\$643	\$705	\$1,594	\$723	\$1,612
Supplementary EM	\$250	\$599	\$938	\$1,620	\$963	\$1,646
Variance	\$14	(\$44)	\$233	\$26	\$240	\$34

6. Estimated Return to Growers per Woodlot

- The differences between the projections in the Supplementary and Original EM arose as a result of:
 - Showing net as opposed to gross return. The net return is after deducting projected contributions to the New RE
 - Higher projected volume and prices of timber to be harvested, the result of deferral of harvesting over the past year in the face of depressed prices
 - Changes in the projected Administration and Legal fees –reduced overhead
 - Revised assumptions on financial performance of the scheme between now and the outcome of the sale process
 - More equitable allocation of scheme expenses sharing

7. MIS Transition – Summary of Fees and Charges

Fee Item	Unit	CPI Indexed	Amount
Initial Contribution	per woodlot	No	100.00
Management Fee	per woodlot/per annum	Yes	50.00
Lease Fee – Ongoing Members	per woodlot/per annum	Yes	108.33
Lease Fee – Prepaid Members	per woodlot/per annum	Yes	100.00
Fixed Management Fee*	per ha	Yes	900.00
Sales Proceeds Fee*	%	No	12.5%

Fixed Management Fee and Sale Proceeds Fee have been factored into the Estimated Return to Growers in the Supplementary EM.

This fee structure is based on a Grower's woodlot size being one third of a hectare.

7. MIS Transition – Key Risks

- ▶ The following risks may adversely affect the value of your investment and the estimated return to Growers:
 - Timber price risk
 - Foreign exchange risk
 - Access to infrastructure risk
 - Yield and quality risk
 - Environmental risk
 - Fire risk
 - Regulatory risk
 - Loss of investment risk
 - Risk of additional liabilities
 - Insolvency risk
 - Non-performance risk
 - Substitution of lease rights
 - Early wind up prior to harvest
 - Delay to implement Settlement Proposal
 - Other Grower actions

7. MIS Transition – Conditions Precedent

- ▲ There are a number of Conditions Precedent (“CP’s”) to the Macquarie entity unconditionally agreeing to become new RE
- ▲ The following CP’s have not been met:
 - CP B – Tax / duties advice obtained by Macquarie to its satisfaction
 - CP C – Macquarie entity obtaining all necessary internal approval
 - CP L – Appropriate due diligence performed by Macquarie entity to their satisfaction
- ▲ It is uncertain whether all of the CP’s will be able to be satisfied
- ▲ If CP’s are not all satisfied, Macquarie retains an ability to waive satisfaction of the CP’s. Whether Macquarie will in fact do so is uncertain

8. Deed Administrators' Comments on Proposed Resolutions

4 Growers' approval is required for:

Resolution	Summary of Resolution	Type of Resolution Required	Vote Required
Resolution 1	Overall acceptance of the Settlement	Ordinary	50% of all woodlots voting at meeting
Resolution 2	Resolution for amendments to each of the respective Scheme's Constitution	Special	75% of all woodlots voting at meeting
Resolution 3	Resolution for the potential appointment of Mac Bank as New RE and allows for Schemes to be wound up (if One Line Sale occurs)	Extraordinary	50% of all woodlots within each Scheme voting in favour of the Resolution

4 Proposed amendments to Resolution 2:

- Definition of the date on which the current Constitution is to be amended
- Percentage of the Scheme's share in the cost and net proceeds distribution as contained in clause 5.11 of the Amended Constitution

4 The Settlement Proposal provides a commercial outcome for Growers. It is recommended Grower vote in favour of all Resolutions.

9. Resolutions

Resolution 1

“That the proposal set out in the Explanatory Memorandum, under which one of the following will occur:

- (a) the Scheme will continue in a restructured form; or*
- (b) the land owned by TP, FEA or FEAC and used in the Scheme will be sold unencumbered, be approved.”*

9. Resolutions

4 Amending Resolutions to Resolution 2:

Amendment 1

Omit "Operative Date (as that term is defined in the Explanatory Memorandum)" and replace it with "date on which the Implementation Deed (as that term is defined in the Explanatory Memorandum, and as amended by the parties from time to time) becomes unconditional"

Amendment 2

In clause 5.11 of the draft Constitution, omit the schedule, and replace it with:

Scheme	Share (%)
Tasmanian Forests Trust No 3 (ARSN 093 165 005)	1.73%
Tasmanian Forests Trust No 4 (ARSN 093 165 103)	2.90%
Tasmanian Forests Trust No 5 (ARSN 093 165 050)	2.73%
Tasmanian Forests Trust No 6 (ARSN 093 165 327)	8.41%
Tasmanian Forests Trust No 7 (ARSN 093 164 866)	60.06%
Tasmanian Forests Project 2000 (ARSN 092 500 984)	18.97%
Australian Forests Project 2001 (ARSN 094 614 678)	5.20%

9. Resolutions

▲ Amended Resolution now becomes Resolution 2

"That the Constitution of the Scheme as registered with ASIC on 19 June 2000 (and subsequently varied) be amended on the date on which the Implementation Deed (as that term is defined in the Explanatory Memorandum, and as amended by the parties from time to time) becomes unconditional as marked in the version of the Constitution annexed to the Notice of Meeting and marked for identification with the letter A"

9. Resolutions

4 Resolution 3

"That:

- (a) subject to and conditional upon:
- (i) completion of a disposal of land comprised in the Tasmanian Estate with such land being disposed of subject to MIS Encumbrances (MIS Disposal); and
 - (ii) the conditions precedent referred to in the attached schedule 1 being satisfied or waived: then
 - (iii) The Responsible Entity be directed to execute on behalf of members any document required to novate any scheme documents to the Responsible Entity from another entity in the FEA Group; and
 - (iv) FEAP retire as Responsible Entity of the Scheme and Macquarie Alternative Asset Management Ltd be appointed as Responsible Entity of the Scheme in its stead; or
- (b) if there is no MIS Disposal on or before 31 March 2014:
- (i) the Scheme be wound up pursuant to Section 601NB of the Corporations Act and Section 5.1(a) of the Constitution together with any order which the Court may seem fit to make pursuant to Section 601NF(2) of the Corporations Act; and
 - (ii) Brian Raymond Silvia and Peter Paul Krejci be appointed to take responsibility for ensuring that the Scheme is wound up in accordance with its Constitution; and
 - (iii) the winding up be postponed pursuant to Clause 5.3 of the Constitution of the Scheme for such a period as the Responsible Entity may determine is in the interests of members of the Scheme; and
- the members authorize and direct the Responsible Entity (and any other person authorized by the Responsible Entity) as their attorney to execute on their behalf all documents required to acknowledge termination of any leases held or interests in forestry rights held by or for the benefits of any members, or to assign, novate, surrender or otherwise deal with such leases or interests."

Questions

Meeting Closed

Thank you for attending



**MINUTES OF THE MEETING OF MEMBERS OF TASMANIAN FORESTS TRUST NO 6 ("FEAP 1998")
ARSN 093 165 327 HELD ON MONDAY, 11 NOVEMBER 2013 AT 10.30 AM AT THE GRAND
CHANCELLOR, 29 CAMERON STREET LAUNCESTON TAS 7250.**

PRESENT

Person

Brian Silvia

Chairman and Deed Administrator
of FEA Plantations Limited as
Responsible Entity of FEAP 1998
(Subject to Deed of Company
Arrangement) ("FEAP")

Stephen Sawyer

Deed Administrator's Legal Advisor,
from Cornwall Stodart

Alva Zeng

Deed Administrator's Assistant

Matthew Jacobs

Deed Administrator's Assistant

Other Attendees

Refer to attached Attendance
Schedule

**OPEN AND
WELCOME**

Mr Brian Silvia introduced himself and his assistant to the Meeting as the Chairman and Deed Administrator of FEAP.

The Chairman advised the Meeting has been called by the Scheme's current Responsible Entity ("RE"), FEAP, pursuant to Section 252A of the Corporations Act 2001 ("the Act"). The RE appoints its Joint and Several Deed Administrator, Mr Brian Silvia, to chair the Meeting. The Chairman advised the Meeting would be assisted by a PowerPoint presentation (attached).

Ms Carol Lee and Mr Andrew McCarthy of the Macquarie Bank Limited attended the Meeting as observers.

**CONVENING OF THE
MEETING**

The Chairman advised the Meeting is a resumption of the Meeting held on 17 October 2013 which had been convened by Notice of Meeting dated 23 September 2013, a copy of which is attached.

The Chairman noted a Supplementary Explanatory Memorandum dated 1 November 2013 had been distributed to Growers by both post and email notifying them of the resumption of the Scheme Meeting on 11 November 2013 at the same time and place as the original meeting.

TIME AND PLACE

The Chairman asked attendees if there was any objection to the time and

place of this resumed Meeting.

No objection was raised.

The Chairman declared:

"That the Meeting had been held at a reasonable time and place."

QUORUM

Pursuant to Section 252R of the Act, the quorum for a meeting of a registered Scheme's members is two members.

The Chairman declared:

"That a quorum was present for the Meeting".

PROXIES

The Chairman tabled proxies received inviting their inspection at the conclusion of the meeting.

The Chairman explained the following:

1. **Poll** – The proposed Resolutions 2 and 3 are special and extraordinary resolutions and will be put to the vote on a poll pursuant to Section 253J(1) of the Act.
2. **Number and value of votes** – On a poll, each Grower (identified by a Grower Number) has one vote for each dollar of the value of the total interest they have in the Scheme. Pursuant to clause 18.4 of the current Scheme Constitution, the value of each Grower's vote is to be determined in accordance with the number of woodlots held by the Growers.
3. **Conduct of the Poll** – The voting cards will be counted by an external professional meeting service company, Link Market Services. Each attendee entitled to vote has been given a voting card.
4. **Proposed amendments to Resolution 2** – It is proposed Resolution 2 will be amended as detailed in the Supplementary EM.

PURPOSE OF MEETING:

The Chairman noted that the Meeting had been convened by Notice dated 23 September 2013 pursuant to Section 252A of the Act.

The Meeting was convened for the following purpose:

- ▲ To receive Explanatory Memorandum ("EM") dated 23 September 2013 and Supplementary Explanatory Memorandum

("Supplementary EM") dated 1 November 2013 including the proposed amended Constitution;

- ⚡ To consider the contents of both the EM and Supplementary EM and the proposed amendments to the current Scheme Constitution as outlined therein;
- ⚡ For Members to consider, and if thought fit, pass the resolutions detailed below; and
- ⚡ Any other business that may be lawfully brought forward.

**SUPPLEMENTARY
EXPLANATORY
MEMORANDUM**

The Chairman tabled the EM dated 23 September 2013, which was taken to have been read. He then advised the Meeting would be supported by the attached PowerPoint presentation. Whilst dealing with each of the issues outlined in it, he made the following comments:

Update regarding ASIC Enquiry

- ⚡ ASIC previously raised a number of queries concerning the Settlement Proposal before the Scheme Meeting held on 17 October 2013. It had also requested a Supplementary EM be issued and an additional period of notice before resumption of this meeting.

As a result, the Scheme Meeting held on 17 October 2013 was adjourned to 11 November 2013 at the same time and place. The FEAP Varied DOCA was also amended and extended to 29 November 2013 at a Section 445F Meeting of Creditors held on 29 October 2013.

- ⚡ The Deed Administrators' solicitors provided information to ASIC in response to its queries. However, resolution of the issues raised was delayed as a consequence of a number of issues including the relevant ASIC officer being on leave for a period of time.
- ⚡ ASIC subsequently indicated it did not require a Supplementary EM. However, the Deed Administrators prepared an update to Growers on the basis of keeping them informed of developments.
- ⚡ The Supplementary EM was issued on 1 November 2013 and distributed to Growers providing:
 - More information concerning the Settlement proposal;
 - Notifying Growers of the Adjourned Scheme Meeting; and
 - Outlining proposed amendments to Resolution 2 contained in the Original EM.

Updated Estimated Return to Growers

- ⚡ The Deed Administrators have updated the financial model estimating Grower returns based on the continuing dynamics of costs incurred in the Administration process and issues attaching to the value of Growers' trees.
- ⚡ The variance between the estimated returns contained in the Original and Supplementary EM mainly related to:
 - Changes in projected harvesting time and hence the resulting increase in the projected timber volume and price;
 - The inclusion of the estimated net return to Growers rather than gross return; and
 - Changes in projected Scheme expenses.

Additional Key Risks under the MIS Transition

- ⚡ Additional key risks not contained in the original Prospectus mentioned in EM have been further expanded in the Supplementary EM.

Proposed Fees and Charges under the MIS Transition

- ⚡ The MIS Transition process contemplates Macquarie Alternative Assets Management Ltd ("MAAML"), becoming the replacement Responsible Entity ("replacement RE") continuing to manage the Scheme through to harvesting.
- ⚡ The Supplementary EM clarified proposed fees and charges as being those contained in the proposed amended Constitution. Fees and charges levied may vary subject to MAAML's discretion.

Conditions Precedent to MIS Transition

- ⚡ The Chairman noted Conditions Precedent B, C, and L contained in Schedule A of the Notice of Meeting dated 23 September 2013 have not been met.
- ⚡ ASIC had provided conditional relief to MAAML in respect of its normal statutory obligation on 8 November 2013. However, technically Condition Precedent A has not been satisfied as MAAML has not formally advised whether the ASIC relief is in a form to its satisfaction.

Outstanding Milestone Events

- ⚡ The Chairman commented the most significant outstanding Milestones required under the Implementation Deed was the need for the three proposed Resolutions for consideration at this Meeting to be

also passed at the 1995 to 2001 Scheme Meetings (excluding 1998) and the winding up order of 2002 to 2009 Schemes.

- Δ The applications for winding up the 2002 to 2009 Schemes will be filed shortly with an anticipated hearing date on 26 or 27 November 2013. If the winding up orders are not obtained before 29 November 2013, the FEAP and FEAP Varied DOCA's will "drop dead" on 29 November 2013.

Proposed Amendments to Resolution 2

- Δ The Operative Date as defined in the Original EM refers to the meaning given to it in the Implementation Deed dated 5 September 2013. The Implementation Deed has been amended and it is possible that it may be amended in the future to facilitate the implementation of the Settlement Proposal. It is proposed the definition of 'Operative Date' as contained in Resolution 2 be amended to incorporate any future amendments to the Implementation Deed.
- Δ The percentage sharing costs contained in clause 5.11 of the amended Constitution were calculated on the previously perceived proportionate net present value for each Scheme of the projected cash flow of the 1995 to 2001 Schemes. As the proportionate net present value of the project Scheme cash flows have changed, it is proposed the cost sharing percentage as contained in clause 5.11 of the amended Constitution be changed accordingly. The Chairman noted the changes in the percentages are not material.

DEED ADMINISTRATORS' RECOMMENDATION

The Chairman recommends Growers vote in favour of all proposed Resolutions. He noted the Settlement Proposal will "fall over" unless all Scheme Growers approve the Resolutions with their requisite majorities.

RESOLUTIONS

The following Resolution was put to the Meeting:

Resolution 1

The Chairman put the following resolution to the meeting:

"That the proposal set out in the Explanatory Memorandum, under which one of the following will occur:

- (a) the Scheme will continue in a restructured form; or*
- (b) the land owned by TP, FEA or FEAC and used in the Scheme will be sold unencumbered,*

be approved."

The Chairman declared the resolution carried on the voices. He noted he had exercised special proxies conferred upon him in accordance with their terms.

Amending Resolution to Resolution 2

The Chairman proposed to combine the proposed amendments to Resolution 2 into one amending Resolution, and invited objection from the Meeting against voting on the proposed amendments to Resolution 2 simultaneously.

No objection was raised.

The Chairman put the following proposed amendment to Resolution 2 as one Resolution to the Meeting:

"That Resolution 2 as outlined in the notice of meeting dated 23rd September 2013, be amended as follows:

Amendment 1

"Omit "Operative Date (as that term is defined in the Explanatory Memorandum)" and replace it with "date on which the Implementation Deed (as that term is defined in the Explanatory Memorandum, and as amended by the parties from time to time) becomes unconditional"

Amendment 2

In clause 5.11 of the draft Constitution, omit the schedule, and replace it with:

<i>Scheme</i>	<i>Share (%)</i>
<i>Tasmanian Forests Trust No 3 (ARSN 093 165 005)</i>	<i>1.73%</i>
<i>Tasmanian Forests Trust No 4 (ARSN 093 165 103)</i>	<i>2.90%</i>
<i>Tasmanian Forests Trust No 5 (ARSN 093 165 050)</i>	<i>2.73%</i>
<i>Tasmanian Forests Trust No 6 (ARSN 093 165 327)</i>	<i>8.41%</i>
<i>Tasmanian Forests Trust No 7 (ARSN 093 164 866)</i>	<i>60.06%</i>
<i>Tasmanian Forests Project 2000 (ARSN 092 500 984)</i>	<i>18.97%</i>
<i>Australian Forests Project 2001 (ARSN 094 614 678)</i>	<i>5.20%"</i>

The Chairman declared the resolution carried on the voices. He noted he had exercised special proxies conferred upon him in respect of the original Resolution 2 in accordance with their terms.

Amended Resolution now becomes Resolution 2

The Chairman put the following resolution to the meeting:

"That the Constitution of the Scheme as registered with ASIC on 19 June 2000 (and subsequently varied) be amended on the date on which the Implementation Deed (as that term is defined in the Explanatory Memorandum, and as amended by the parties from time to time) becomes unconditional as marked in the version of the Constitution annexed to the Notice of Meeting and marked for identification with the letter A"

The Chairman noted clause 5.11 in the amended Constitution annexed to the Notice of Meeting has been amended in accordance with the amending Resolution and marked for identification with the letter A. A copy of this amended Constitution is attached.

The Chairman announced the result of the poll as following:

Summary of Outcome as per Link Market Report			
For	Against	Abstain	Total
Woodlots	Woodlots	Woodlots	Woodlots Voted
1,835.76	36.71	Nil	1,872.47
98.04%	1.96%	0.00%	100.00%

The Chairman declared Resolution carried.

Resolution 3

The Chairman put the following resolution to the meeting:

"That:

(a) subject to and conditional upon:

- (i) completion of a disposal of land comprised in the Tasmanian Estate with such land being disposed of subject to MIS Encumbrances (MIS Disposal); and*
- (ii) the conditions precedent referred to in the attached schedule 1 being satisfied or waived;*

then

- (iii) The Responsible Entity be directed to execute on behalf of members any document required to novate any scheme documents to the Responsible Entity from another entity in the FEA Group; and*
- (iv) FEAP retire as Responsible Entity of the Scheme and Macquarie Alternative Asset Management Ltd be appointed*

as Responsible Entity of the Scheme in its stead; or

(b) if there is no MIS Disposal on or before 31 March 2014:

(i) the Scheme be wound up pursuant to Section 601NB of the Corporations Act and Section 5.1(a) of the Constitution together with any order which the Court may seem fit to make pursuant to Section 601NF(2) of the Corporations Act; and

(ii) Brian Raymond Silvia and Peter Paul Krejci be appointed to take responsibility for ensuring that the Scheme is wound up in accordance with its Constitution; and

(iii) the winding up be postponed pursuant to Clause 5.3 of the Constitution of the Scheme for such a period as the Responsible Entity may determine is in the interests of members of the Scheme; and

the members authorize and direct the Responsible Entity (and any other person authorized by the Responsible Entity) as their attorney to execute on their behalf all documents required to acknowledge termination of any leases held or interests in forestry rights held by or for the benefits of any members, or to assign, novate, surrender or otherwise deal with such leases or interests."

The Chairman announced the result of the poll as following:

Summary of Outcome as per Link Market Report				
For	Against	Abstain	Total	Total Number of
Woodlots	Woodlots	Woodlots	Woodlots	Woodlots Entitled to
			Woodlots	Vote
1,808.76	63.71	Nll	1,872.47	2,861.27
63.22%	2.23%	0.00%	65.44%	100.00%

The Chairman declared Resolution carried.

QUESTIONS

The Chairman invited questions from the attendees.

No further questions were raised.

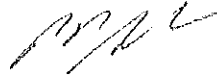
CLOSURE OF MEETING:

There being no further business, the Chairman thanked those present for attending.

The Chairman declared the Meeting Closed at 10.43 am.

Signed as a correct record.

DATED this the *21st* day of November 2013.



BRIAN SILVIA
CHAIRMAN

**BETTER OUTCOMES
THROUGH EXPERIENCE**

TASMANIAN FORESTS TRUST NO 6 (1998)
ARSN 093 165 327

MEETING OF MEMBERS
11 November 2013

CONVENED BY FEA PLANTATIONS LIMITED AS RESPONSIBLE ENTITY
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)
(RECEIVERS APPOINTED)

BRI Ferrier

Business Reconstruction & Insolvency

Sydney | Melbourne | Brisbane | Perth | Adelaide | Townsville | Cairns | Hong Kong

Agenda

1. Introduction
2. Purpose of Meeting
3. Background Information
4. Deed Administrators' Update
5. Settlement Proposal – Sale Process Options
6. Estimated Return to Growers per Woodlot
7. MIS Transition
 - Summary of Fees and Charges
 - Key Risks
 - Conditions Precedent
8. Deed Administrators' Comments on Proposed Resolutions
9. Resolutions
10. Questions

1. Introduction

- ▲ Introductions: Deed Administrators
- ▲ Corporate Regulations:
 1. Resumed Meeting convened by Notice dated 23 September 2013 pursuant to Section 252A of Corporations Act 2001.
 2. Time and place of Meeting.
 3. Quorum.
 4. Voting:
 - ▲ Poll required for Special and Extraordinary Resolutions
 - ▲ On a poll, each Grower (identified by a Grower Number) has one vote for each dollar of the value of the total interest they have in the Scheme
 - ▲ Value of each Grower's vote determined by number of woodlots held

2. Purpose of Meeting

- ▲ To receive Explanatory Memorandum (“EM”) dated 23 September 2013 and Supplementary Explanatory Memorandum (“Supplementary EM”) dated 1 November 2013
- ▲ To consider the contents of both EMs and Supplementary EM and the proposed amendments to the current Scheme Constitutions as outlined therein
- ▲ For Members to consider, and if thought fit, pass the resolutions detailed below
- ▲ Any other business that may be lawfully brought forward

3. Background Information

- ▲ Company into Voluntary Administration on 14 April 2010 and subsequently Deed of Company Arrangement (“DOCA”) on 14 December 2010
- ▲ From April 2010 until late 2012, protracted legal disputes between Deed Administrators representing Creditors and Growers and the Receivers
- ▲ Mediation between Deed Administrators and Banks began in October 2012
- ▲ In June 2013, Deed Administrators and Banks reached in principle commercial agreement to a Settlement Proposal
- ▲ On 28 June 2013, FEAP and FEA Varied DOCAs approved by Creditors including Growers
- ▲ On 5 September 2013, Implementation Deed executed by Banks and Deed Administrators concerning sale process and asset distribution to Growers – One-Line Sale vs MIS Transition
- ▲ On 23 September 2013, EM and Scheme Meeting Notice issued

4. Deed Administrators' Update

- ▲ 23 September 2013 to 10 October 2013, various financial advisor meetings, Grower Online Information Session, FEA Growers Group telephone conferences, and COI Meeting were held
- ▲ On 9 October 2013, ASIC in considering the application for relief regarding MIS Transition raised queries in writing about information in the EM
- ▲ On 17 October 2013, Scheme Meeting was adjourned to 11 November 2013
- ▲ ASIC subsequently indicated it did not require a Supplementary EM. However, the Deed Administrators were prepared to issue an update to Growers.
- ▲ On 29 October 2013, FEAP and FEA Creditors approved the amendments to Varied DOCAs and its extension to 29 November 2013
- ▲ On 1 November 2013, Supplementary EM issued, providing:
 - More information about the Settlement proposal;
 - Notifying Growers of the Adjourned Scheme Meeting; and
 - Outlining proposed amendments to the Resolution 2 as contained in the Original EM

5. Settlement Proposal – Sale Process Options

Option 1 – One Line Sale

- ▲ In the first instance, the Internal land owned by entities in the FEA Group and the trees planted on it will be offered for sale together, with a share of the net proceeds being paid to Growers. This is called a “One-line Sale”.

Option 2 – MIS Transition

- ▲ A Macquarie Group entity (“Macquarie”) may become the Responsible Entity of the 1995 to 2001 Schemes and continue them until harvest, sale or wind-up, under lease arrangements with new owner/s of the Internal Land. If Macquarie is to be appointed, the Schemes will need to amend their Constitutions and related documents to provide for more commercially practical lease and management arrangements.

Buyers will be able to make an offer for the land under either or both scenarios

The outcome of the sale process will be determined by the Receivers based on the bids received and the Sale Advisor’s advice

6. Estimated Return to Growers per Woodlot



Project 1998

Projection	One Line Sale		Estimated Return Per Woodlot		MIS Transition Option 1		MIS Transition Option 2	
	Low	High	Low	High	Low	High	Low	High
Original EM	274	746	1,120	2,153	1,120	2,153	1,120	2,153
<u>Less:</u>								
Gross Distribution as per Original EM								
Required Grower Contributions to New RE to Clear Fall Harvest	-	-	(464)	(464)	(449)	(449)	(449)	(449)
Estimated Net Distribution	\$274	\$746	\$656	\$1,689	\$671	\$1,704	\$671	\$1,704
Supplementary EM	\$293	\$703	\$815	\$1,675	\$838	\$1,698	\$838	\$1,698
<i>Variance</i>	\$19	(\$43)	\$159	(\$14)	\$167	(\$6)	\$167	(\$6)

6. Estimated Return to Growers per Woodlot

- ▲ The differences between the projections in the Supplementary and Original EM arose as a result of:
 - Showing net as opposed to gross return. The net return is after deducting projected contributions to the New RE
 - Higher projected volume and prices of timber to be harvested, the result of deferral of harvesting over the past year in the face of depressed prices
 - Changes in the projected Administration and Legal fees –reduced overhead
 - Revised assumptions on financial performance of the scheme between now and the outcome of the sale process
 - More equitable allocation of scheme expenses sharing

7. MIS Transition – Summary of Fees and Charges

Fee Item	Unit	CP Indexed	Amount
Initial Contribution	per woodlot	No	100.00
Management Fee	per woodlot/per annum	Yes	50.00
Lease Fee – Ongoing Members	per woodlot/per annum	Yes	148.33
Lease Fee – Prepaid Members	per woodlot/per annum	Yes	140.00
Fixed Management Fee*	per ha	Yes	900.00
Sales Proceeds Fee*	%	No	12.5%

Fixed Management Fee and Sale Proceeds Fee have been factored into the Estimated Return to Growers in the Supplementary EM.

This fee structure is based on a Grower's woodlot size being one third of a hectare.

7. MIS Transition – Key Risks

- ▲ The following risks may adversely affect the value of your investment and the estimated return to Growers:
 - Timber price risk
 - Foreign exchange risk
 - Access to infrastructure risk
 - Yield and quality risk
 - Environmental risk
 - Fire risk
 - Regulatory risk
 - Loss of investment risk
 - Risk of additional liabilities
 - Insolvency risk
 - Non-performance risk
 - Substitution of lease rights
 - Early wind up prior to harvest
 - Delay to implement Settlement Proposal
 - Other Grower actions

7. MIS Transition – Conditions Precedent

- 4 There are a number of Conditions Precent (“CP’s”) to the Macquarie entity unconditionally agreeing to become new RE
- 4 The following CP’s have not been met:
 - CP B – Tax / duties advice obtained by Macquarie to its satisfaction
 - CP C – Macquarie entity obtaining all necessary internal approval
 - CP L – Appropriate due diligence performed by Macquarie entity to their satisfaction
- 4 It is uncertain whether all of the CP’s will be able to be satisfied
- 4 If CP’s are not all satisfied, Macquarie retains an ability to waive satisfaction of the CP’s. Whether Macquarie will in fact do so is uncertain

8. Deed Administrators' Comments on Proposed Resolutions

▲ Growers' approval is required for:

Resolution	Summary of Resolution	Type of Resolution Required	Vote Required
Resolution 1	Overall acceptance of the Settlement	Ordinary	50% of all woodlots voting at meeting
Resolution 2	Resolution for amendments to each of the respective Scheme's Constitution	Special	75% of all woodlots voting at meeting
Resolution 3	Resolution for the potential appointment of Mac Bank as New RE and allows for Schemes to be wound up (if One Line Sale occurs)	Extraordinary	50% of all woodlots within each Scheme voting in favour of the Resolution

▲ Proposed amendments to Resolution 2:

- Definition of the date on which the current Constitution is to be amended
- Percentage of the Scheme's share in the cost and net proceeds distribution as contained in clause 5.11 of the Amended Constitution

▲ The Settlement Proposal provides a commercial outcome for Growers. It is recommended Grower vote in favour of all Resolutions.

9. Resolutions

▲ Resolution 1

"That the proposal set out in the Explanatory Memorandum, under which one of the following will occur:

- (a) the Scheme will continue in a restructured form; or*
- (b) the land owned by TP, FEA or FEAC and used in the Scheme will be sold unencumbered, be approved."*

9. Resolutions

4 Amending Resolutions to Resolution 2:

Amendment 1

Omit "Operative Date (as that term is defined in the Explanatory Memorandum)" and replace it with "date on which the Implementation Deed (as that term is defined in the Explanatory Memorandum, and as amended by the parties from time to time) becomes unconditional"

Amendment 2

In clause 5.11 of the draft Constitution, omit the schedule, and replace it with:

Scheme	Share (%)
Tasmanian Forests Trust No 3 (ARSN 093 165 005)	1.73%
Tasmanian Forests Trust No 4 (ARSN 093 165 103)	2.90%
Tasmanian Forests Trust No 5 (ARSN 093 165 050)	2.73%
Tasmanian Forests Trust No 6 (ARSN 093 165 327)	8.41%
Tasmanian Forests Trust No 7 (ARSN 093 164 866)	60.06%
Tasmanian Forests Project 2000 (ARSN 092 500 984)	18.97%
Australian Forests Project 2001 (ARSN 094 614 678)	5.20%

9. Resolutions

4 Amended Resolution now becomes Resolution 2

"That the Constitution of the Scheme as registered with ASIC on 19 June 2000 (and subsequently varied) be amended on the date on which the Implementation Deed (as that term is defined in the Explanatory Memorandum, and as amended by the parties from time to time) becomes unconditional as marked in the version of the Constitution annexed to the Notice of Meeting and marked for identification with the letter A"

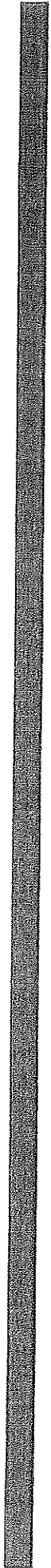
9. Resolutions

4 Resolution 3

"That:

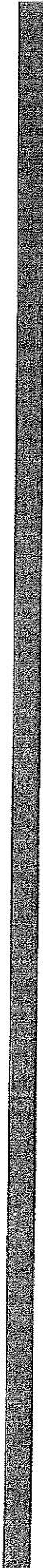
- (a) subject to and conditional upon:
- (i) completion of a disposal of land comprised in the Tasmanian Estate with such land being disposed of subject to MIS Encumbrances (MIS Disposal); and
 - (ii) the conditions precedent referred to in the attached schedule 1 being satisfied or waived:
then
 - (iii) The Responsible Entity be directed to execute on behalf of members any document required to novate any scheme documents to the Responsible Entity from another entity in the FEA Group; and
 - (iv) FEAP retire as Responsible Entity of the Scheme and Macquarie Alternative Asset Management Ltd be appointed as Responsible Entity of the Scheme in its stead; or
- (b) if there is no MIS Disposal on or before 31 March 2014:
- (i) the Scheme be wound up pursuant to Section 601NB of the Corporations Act and Section 5.1(a) of the Constitution together with any order which the Court may seem fit to make pursuant to Section 601NF(2) of the Corporations Act; and
 - (ii) Brian Raymond Silvia and Peter Paul Krejci be appointed to take responsibility for ensuring that the Scheme is wound up in accordance with its Constitution; and
 - (iii) the winding up be postponed pursuant to Clause 5.3 of the Constitution of the Scheme for such a period as the Responsible Entity may determine is in the interests of members of the Scheme; and
- the members authorize and direct the Responsible Entity (and any other person authorized by the Responsible Entity) as their attorney to execute on their behalf all documents required to acknowledge termination of any leases held or interests in forestry rights held by or for the benefits of any members, or to assign, novate, surrender or otherwise deal with such leases or interests."

Questions



Meeting Closed

Thank you for attending



MINUTES OF THE MEETING OF MEMBERS OF TASMANIAN FORESTS TRUST NO 7 1999 ("FEAP 1999") ARSN 093 164 866 HELD ON MONDAY, 11 NOVEMBER 2013 AT 2.00 PM AT THE GRAND CHANCELLOR, 29 CAMERON STREET LAUNCESTON TAS 7250.

PRESENT	<u>Person</u> Brian Silvia	Chairman and Deed Administrator of FEA Plantations Limited as Responsible Entity of FEAP 1999 (Subject to Deed of Company Arrangement) ("FEAP")
	Stephen Sawyer	Deed Administrator's Legal Advisor, from Cornwall Stodart
	Alva Zeng	Deed Administrator's Assistant
	Matthew Jacobs	Deed Administrator's Assistant
	Other Attendees	Refer to attached Attendance Schedule
OPEN AND WELCOME	<p>Mr Brian Silvia introduced himself and his assistant to the Meeting as the Chairman and Deed Administrator of FEAP.</p> <p>The Chairman advised the Meeting has been called by the Scheme's current Responsible Entity ("RE"), FEAP, pursuant to Section 252A of the Corporations Act 2001 ("the Act"). The RE appoints its Joint and Several Deed Administrator, Mr Brian Silvia, to chair the Meeting. The Chairman advised the Meeting would be assisted by a PowerPoint presentation (attached).</p> <p>Ms Carol Lee and Mr Andrew McCarthy of Macquarie Bank Limited attended the Meeting as observers.</p>	
CONVENING OF THE MEETING	<p>The Chairman advised the Meeting is a resumption of the Meeting held on 17 October 2013 which had been convened by Notice of Meeting dated 23 September 2013, a copy of which is attached.</p> <p>The Chairman noted a Supplementary Explanatory Memorandum dated 1 November 2013 had been distributed to Growers by both post and email notifying them of the resumption of the Scheme Meeting on 11 November 2013 at the same time and place as the original meeting.</p>	
TIME AND PLACE	<p>The Chairman asked attendees if there was any objection to the time and place of this resumed Meeting.</p>	

No objection was raised.

The Chairman declared:

"That the Meeting had been held at a reasonable time and place."

QUORUM

Pursuant to Section 252R of the Act, the quorum for a meeting of a registered Scheme's members is two members.

The Chairman declared:

"That a quorum was present for the Meeting".

PROXIES

The Chairman tabled proxies received inviting their inspection at the conclusion of the meeting.

The Chairman explained the following:

1. **Poll** – The proposed Resolutions 2 and 3 are special and extraordinary resolutions and will be put to the vote on a poll pursuant to Section 253J(1) of the Act.
2. **Number and value of votes** – On a poll, each Grower (identified by a Grower Number) has one vote for each dollar of the value of the total interest they have in the Scheme. Pursuant to clause 18.4 of the current Scheme Constitution, the value of each Grower's vote is to be determined in accordance with the number of woodlots held by the Growers.
3. **Conduct of the Poll** – The voting cards will be counted by an external professional meeting service company, Link Market Services. Each attendee entitled to vote has been given a voting card.
4. **Proposed amendments to Resolution 2** – It is proposed Resolution 2 will be amended as detailed in the Supplementary EM.

PURPOSE OF MEETING:

The Chairman noted that the Meeting had been convened by Notice dated 23 September 2013 pursuant to Section 252A of the Act.

The Meeting was convened for the following purpose:

- ▲ To receive Explanatory Memorandum ("EM") dated 23 September 2013 and Supplementary Explanatory Memorandum ("Supplementary EM") dated 1 November 2013 including the proposed amended Constitution;

**EXPLANATORY
MEMORANDUM**

- 4 To consider the contents of both the EM and Supplementary EM and the proposed amendments to the current Scheme Constitution as outlined therein;
- 4 For Members to consider, and if thought fit, pass the resolutions detailed below; and
- 4 Any other business that may be lawfully brought forward.

The Chairman tabled the EM dated 23 September 2013, which was taken to have been read. He then advised the Meeting would be supported by the attached PowerPoint presentation. Whilst dealing with each of the issues outlined in it, he made the following comments:

Update regarding ASIC Enquiry

- 4 ASIC previously raised a number of queries concerning the Settlement Proposal before the Scheme Meeting held on 17 October 2013. It had also requested a Supplementary EM be issued and an additional period of notice before resumption of this meeting.

As a result, the Scheme Meeting held on 17 October 2013 was adjourned to 11 November 2013 at the same time and place. The FEAP Varied DOCA was also amended and extended to 29 November 2013 at a Section 445F Meeting of Creditors held on 29 October 2013.

- 4 The Deed Administrators' solicitors provided information to ASIC in response to its queries. However, resolution of the issues raised was delayed as a consequence of a number of issues including the relevant ASIC officer being on leave for a period of time.
- 4 ASIC subsequently indicated it did not require a Supplementary EM. However, the Deed Administrators prepared an update to Growers on the basis of keeping them informed of developments.
- 4 The Supplementary EM was issued on 1 November 2013 and distributed to Growers providing:
 - More information concerning the Settlement proposal;
 - Notifying Growers of the Adjourned Scheme Meeting; and
 - Outlining proposed amendments to Resolution 2 contained in the Original EM.

Updated Estimated Return to Growers

- 4 The Deed Administrators have updated the financial model estimating Grower returns based on the continuing dynamics of costs incurred in the Administration process and issues attaching to the value of Growers' trees.

- Δ The variance between the estimated returns contained in the Original and Supplementary EM mainly related to:
 - Changes in projected harvesting time and hence the resulting increase in the projected timber volume and price;
 - The inclusion of the estimated net return to Growers rather than gross return; and
 - Changes in projected Scheme expenses.

Additional Key Risks under the MIS Transition

- Δ Additional key risks not contained in the original Prospectus mentioned in EM have been further expanded in the Supplementary EM.

Proposed Fees and Charges under the MIS Transition

- Δ The MIS Transition process contemplates Macquarie Alternative Assets Management Ltd ("MAAML"), becoming the replacement Responsible Entity ("replacement RE") continuing to manage the 1999 Scheme through to harvesting.
- Δ The Supplementary EM clarified proposed fees and charges as being those contained in the proposed amended Constitution. Fees and charges levied may vary subject to MAAML's discretion.

Conditions Precedent to MIS Transition

- Δ The Chairman noted Conditions Precedent B, C, and L contained in Schedule A of the Notice of Meeting dated 23 September 2013 have not been met.
- Δ He further noted ASIC had provided conditional relief to MAAML in respect of its normal statutory obligation on 8 November 2013. However, technically Condition Precedent A has not been satisfied as MAAML has not formally advised whether the ASIC relief is in a form to its satisfaction.

Outstanding Milestone Events

- Δ The Chairman commented the most significant outstanding Milestones required under the Implementation Deed was the need for the three proposed Resolutions for consideration at this Meeting to be also passed at the 1995 to 2001 Scheme Meetings (excluding 1999) and the winding up order of 2002 to 2009 Schemes.
- Δ The applications for winding up the 2002 to 2009 Schemes will be filed shortly with an anticipated hearing date on 26 or 27 November 2013.

If the winding up orders are not obtained before 29 November 2013, the FEAP and FEAP Varied DOCAs will “drop dead” on 29 November 2013.

Proposed Amendments to Resolution 2

- ⌘ The Operative Date as defined in the Original EM refers to the meaning given to it in the Implementation Deed dated 5 September 2013. The Implementation Deed has been amended and it is possible that it may be amended in the future to facilitate the implementation of the Settlement Proposal. It is proposed the definition of ‘Operative Date’ as contained in Resolution 2 be amended to incorporate any future amendments to the Implementation Deed.
- ⌘ The percentage sharing costs contained in clause 5.11 of the amended Constitution were calculated on the previously perceived proportionate net present value for each Scheme of the projected cash flow of the 1995 to 2001 Schemes. As the proportionate net present value of the project Scheme cash flows have changed, it is proposed the cost sharing percentage as contained in clause 5.11 of the amended Constitution be changed accordingly. The Chairman noted the changes in the percentages are not material.

**DEED
ADMINISTRATORS’
RECOMMENDATION**

The Chairman recommends Growers vote In favour of all proposed Resolutions. He noted the Settlement Proposal will “fall over” unless all Scheme Growers approve the Resolutions with their requisite majorities.

RESOLUTIONS

The following Resolution was put to the Meeting:

Resolution 1

The Chairman put the following resolution to the meeting:

“That the proposal set out in the Explanatory Memorandum, under which one of the following will occur:

- (a) the Scheme will continue in a restructured form; or*
- (b) the land owned by TP, FEA or FEAC and used in the Scheme will be sold unencumbered,*

be approved.”

The Chairman declared the resolution carried on the voices. He noted he had exercised special proxies conferred upon him in accordance with their terms.

Amending Resolution to Resolution 2

The Chairman proposed to combine the proposed amendments to Resolution 2 into one amending Resolution, and invited objection from the Meeting against voting on the proposed amendments to Resolution 2 simultaneously.

No objection was raised.

Mr Eric Walters, a proxy holder for Growers, queried whether the Operative Date is one of the milestones.

Mr Stephen Sawyer of Cornwall Stodart, the Deed Administrators' legal advisor, responded that the passing of the Resolutions are one of the milestones required in achieving the Operative Date. Another significant milestone is to obtain winding up orders for the 2002 to 2009 Schemes.

The Chairman put the following proposed amendment to Resolution 2 as one Resolution to the Meeting:

"That Resolution 2 as outlined in the notice of meeting dated 23rd September 2013, be amended as follows:

Amendment 1

"Omit "Operative Date (as that term is defined in the Explanatory Memorandum)" and replace it with "date on which the Implementation Deed (as that term is defined in the Explanatory Memorandum, and as amended by the parties from time to time) becomes unconditional"

Amendment 2

In clause 5.11 of the draft Constitution, omit the schedule, and replace it with:

Scheme	Share (%)
<i>Tasmanian Forests Trust No 3 (ARSN 093 165 005)</i>	<i>1.73%</i>
<i>Tasmanian Forests Trust No 4 (ARSN 093 165 103)</i>	<i>2.90%</i>
<i>Tasmanian Forests Trust No 5 (ARSN 093 165 050)</i>	<i>2.73%</i>
<i>Tasmanian Forests Trust No 6 (ARSN 093 165 327)</i>	<i>8.41%</i>
<i>Tasmanian Forests Trust No 7 (ARSN 093 164 866)</i>	<i>60.06%</i>
<i>Tasmanian Forests Project 2000 (ARSN 092 500 984)</i>	<i>18.97%</i>
<i>Australian Forests Project 2001 (ARSN 094 614 678)</i>	<i>5.20%"</i>

The Chairman declared the resolution carried on the voices. He noted he had exercised special proxies conferred upon him in respect of the original Resolution 2 in accordance with their terms.

Amended Resolution now becomes Resolution 2

The Chairman put the following resolution to the meeting:

"That the Constitution of the Scheme as registered with ASIC on 19 June 2000 (and subsequently varied) be amended on the date on which the Implementation Deed (as that term is defined in the Explanatory Memorandum, and as amended by the parties from time to time) becomes unconditional as marked in the version of the Constitution annexed to the Notice of Meeting and marked for identification with the letter A"

The Chairman noted clause 5.11 in the amended Constitution annexed to the Notice of Meeting has been amended in accordance with the amending Resolution and marked for identification with the letter A. A copy of this amended Constitution is attached.

The Chairman announced the result of the poll as following:

Summary of Outcome as per Link Market Report			
For	Against	Abstain	Total
Woodlots	Woodlots	Woodlots	Woodlots Voted
22,276.73	309.49	15.00	22,601.22
98.56%	1.37%	0.07%	100.00%

The Chairman declared the Resolution carried.

Resolution 3

The Chairman put the following resolution to the meeting:

"That:

(a) subject to and conditional upon:

- (i) completion of a disposal of land comprised in the Tasmanian Estate with such land being disposed of subject to MIS Encumbrances (MIS Disposal); and*
- (ii) the conditions precedent referred to in the attached schedule 1 being satisfied or waived:*

then

(iii) The Responsible Entity be directed to execute on behalf of members any document required to novate any Scheme documents to the Responsible Entity from another entity in the FEA Group; and

(iv) FEAP retire as Responsible Entity of the Scheme and Macquarie Alternative Asset Management Ltd be appointed as Responsible Entity of the Scheme in its stead; or

(b) if there is no MIS Disposal on or before 31 March 2014:

(i) the Scheme be wound up pursuant to Section 601NB of the Corporations Act and Section 5.1(a) of the Constitution together with any order which the Court may seem fit to make pursuant to Section 601NF(2) of the Corporations Act; and

(ii) Brian Raymond Silvia and Peter Paul Krejci be appointed to take responsibility for ensuring that the Scheme is wound up in accordance with its Constitution; and

(iii) the winding up be postponed pursuant to Clause 5.3 of the Constitution of the Scheme for such a period as the Responsible Entity may determine is in the interests of members of the Scheme; and

the members authorize and direct the Responsible Entity (and any other person authorized by the Responsible Entity) as their attorney to execute on their behalf all documents required to acknowledge termination of any leases held or interests in forestry rights held by or for the benefits of any members, or to assign, novate, surrender or otherwise deal with such leases or interests."

The Chairman announced the result of the poll as following:

Summary of Outcome as per Link Market Report				
For	Against	Abstain	Total Woodlots Voted	Total Number of Woodlots Entitled to Vote
Woodlots	Woodlots	Woodlots	Woodlots	Woodlots
22,013.84	581.38	3.00	22,598.22	32,722.32
67.27%	1.78%	0.01%	69.06%	100.00%

The Chairman declared the Resolution carried.

QUESTIONS

The Chairman invited questions from the attendees.

No further questions were raised.

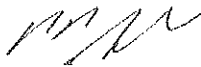
CLOSURE OF MEETING:

There being no further business, the Chairman thanked those present for attending.

The Chairman declared the Meeting Closed at 2.51 pm.

Signed as a correct record.

DATED this the 21st day of November 2013.



BRIAN SILVIA
CHAIRMAN

PERFORMANCE
THROUGH EXPERIENCE

TASMANIAN FORESTS TRUST NO 7 (1999)
ARSN 093 164 866

MEETING OF MEMBERS
12 November 2013

CONVENED BY FEA PLANTATIONS LIMITED AS RESPONSIBLE ENTITY
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)
(RECEIVERS APPOINTED)

BRI Ferrier

Business Reconstruction & Insolvency

Sydney | Melbourne | Brisbane | Perth | Adelaide | Townsville | Cairns | Hong Kong

Agenda

1. Introduction
2. Purpose of Meeting
3. Background Information
4. Deed Administrators' Update
5. Settlement Proposal – Sale Process Options
6. Estimated Return to Growers per Woodlot
7. MIS Transition
 - * Summary of Fees and Charges
 - * Key Risks
 - * Conditions Precedent
8. Deed Administrators' Comments on Proposed Resolutions
9. Resolutions
10. Questions

1. Introduction

- ▲ Introductions: Deed Administrators
- ▲ Corporate Regulations:
 1. Resumed Meeting convened by Notice dated 23 September 2013 pursuant to Section 252A of Corporations Act 2001.
 2. Time and place of Meeting.
 3. Quorum.
 4. Voting:
 - ▲ Poll required for Special and Extraordinary Resolutions
 - ▲ On a poll, each Grower (identified by a Grower Number) has one vote for each dollar of the value of the total interest they have in the Scheme
 - ▲ Value of each Grower's vote determined by number of woodlots held

2. Purpose of Meeting

- ▲ To receive Explanatory Memorandum (“EM”) dated 23 September 2013 and Supplementary Explanatory Memorandum (“Supplementary EM”) dated 1 November 2013
- ▲ To consider the contents of both EMs and Supplementary EM and the proposed amendments to the current Scheme Constitutions as outlined therein
- ▲ For Members to consider, and if thought fit, pass the resolutions detailed below
- ▲ Any other business that may be lawfully brought forward

3. Background Information

- ▲ Company into Voluntary Administration on 14 April 2010 and subsequently Deed of Company Arrangement (“DOCA”) on 14 December 2010
- ▲ From April 2010 until late 2012, protracted legal disputes between Deed Administrators representing Creditors and Growers and the Receivers
- ▲ Mediation between Deed Administrators and Banks began in October 2012
- ▲ In June 2013, Deed Administrators and Banks reached in principle commercial agreement to a Settlement Proposal
- ▲ On 28 June 2013, FEAP and FEA Varied DOCAs approved by Creditors including Growers
- ▲ On 5 September 2013, Implementation Deed executed by Banks and Deed Administrators concerning sale process and asset distribution to Growers – One-Line Sale vs MIS Transition
- ▲ On 23 September 2013, EM and Scheme Meeting Notice issued

4. Deed Administrators' Update

- ▲ 23 September 2013 to 10 October 2013, various financial advisor meetings, Grower Online Information Session, FEA Growers Group telephone conferences, and COI Meeting were held
- ▲ On 9 October 2013, ASIC in considering the application for relief regarding MIS Transition raised queries in writing about information in the EM
- ▲ On 17 October 2013, Scheme Meeting was adjourned to 11 November 2013
- ▲ ASIC subsequently indicated it did not require a Supplementary EM. However, the Deed Administrators were prepared to issue an update to Growers.
- ▲ On 29 October 2013, FEAP and FEA Creditors approved the amendments to Varied DOCAs and its extension to 29 November 2013
- ▲ On 1 November 2013, Supplementary EM issued, providing:
 - More information about the Settlement proposal;
 - Notifying Growers of the Adjourned Scheme Meeting; and
 - Outlining proposed amendments to the Resolution 2 as contained in the Original EM

5. Settlement Proposal – Sale Process Options

Option 1 – One Line Sale

- ▲ In the first instance, the Internal Land owned by entities in the FEA Group and the trees planted on it will be offered for sale together, with a share of the net proceeds being paid to Growers. This is called a “One-line Sale”.

Option 2 – MIS Transition

- ▲ A Macquarie Group entity (“Macquarie”) may become the Responsible Entity of the 1995 to 2001 Schemes and continue them until harvest, sale or wind-up, under lease arrangements with new owner/s of the Internal Land. If Macquarie is to be appointed, the Schemes will need to amend their Constitutions and related documents to provide for more commercially practical lease and management arrangements.

Buyers will be able to make an offer for the land under either or both scenarios

The outcome of the sale process will be determined by the Receivers based on the bids received and the Sale Advisor’s advice

6. Estimated Return to Growers per Woodlot

Project 1999

Projection	One-Line Sale		MIS Transition Option 1		MIS Transition Option 2	
	Low	High	Low	High	Low	High
Original EM	174	476	1,385	1,760	1,385	1,760
Gross Distribution as per Original EM						
Less: Required Grower Contributions to New RE to Clear Fall Harvest	-	-	(538)	(538)	(507)	(507)
Estimated Net Distribution	\$174	\$476	\$847	\$1,222	\$878	\$1,253
Supplementary EM	\$183	\$439	\$1,097	\$1,287	\$1,133	\$1,322
Variance	\$9	(\$37)	\$250	\$65	\$255	\$69

6. Estimated Return to Growers per Woodlot

- ▲ The differences between the projections in the Supplementary and Original EM arose as a result of:
 - Showing net as opposed to gross return. The net return is after deducting projected contributions to the New RE
 - Higher projected volume and prices of timber to be harvested, the result of deferral of harvesting over the past year in the face of depressed prices
 - Changes in the projected Administration and Legal fees –reduced overhead
 - Revised assumptions on financial performance of the scheme between now and the outcome of the sale process
 - More equitable allocation of scheme expenses sharing

7. MIS Transition – Summary of Fees and Charges

Fee Item	Unit	Capitated	Amount
Initial Contribution	per woodlot	No	100.00
Management Fee	per woodlot/per annum	Yes	50.00
Lease Fee – Ongoing Members	per woodlot/per annum	Yes	66.67
Lease Fee – Prepaid Members	per woodlot/per annum	Yes	58.33
Fixed Management Fee*	per ha	Yes	900.00
Sales Proceeds Fee*	%	No	12.5%

Fixed Management Fee and Sale Proceeds Fee have been factored into the Estimated Return to Growers in the Supplementary EM.

This fee structure is based on a Grower's woodlot size being one third of a hectare.

7. MIS Transition – Key Risks

The following risks may adversely affect the value of your investment and the estimated return to

Growers:

- Timber price risk
- Foreign exchange risk
- Access to infrastructure risk
- Yield and quality risk
- Environmental risk
- Fire risk
- Regulatory risk
- Loss of investment risk
- Risk of additional liabilities
- Insolvency risk
- Non-performance risk
- Substitution of lease rights
- Early wind up prior to harvest
- Delay to implement Settlement Proposal
- Other Grower actions

7. MIS Transition – Conditions Precedent

- ▲ There are a number of Conditions Precedent (“CP’s”) to the Macquarie entity unconditionally agreeing to become new RE
- ▲ The following CP’s have not been met:
 - CP B – Tax / duties advice obtained by Macquarie to its satisfaction
 - CP C – Macquarie entity obtaining all necessary internal approval
 - CP L – Appropriate due diligence performed by Macquarie entity to their satisfaction
- ▲ It is uncertain whether all of the CP’s will be able to be satisfied
- ▲ If CP’s are not all satisfied, Macquarie retains an ability to waive satisfaction of the CP’s. Whether Macquarie will in fact do so is uncertain

8. Deed Administrators' Comments on Proposed Resolutions

▲ Growers' approval is required for:

Resolution	Summary of Resolution	Type of Resolution Required	Vote Required
Resolution 1	Overall acceptance of the Settlement	Ordinary	50% of all woodlots voting at meeting
Resolution 2	Resolution for amendments to each of the respective Scheme's Constitution	Special	75% of all woodlots voting at meeting
Resolution 3	Resolution for the potential appointment of Mac Bank as New RE and allows for Schemes to be wound up (if One Line Sale occurs)	Extraordinary	50% of all woodlots within each Scheme voting in favour of the Resolution

▲ Proposed amendments to Resolution 2:

- Definition of the date on which the current Constitution is to be amended
- Percentage of the Scheme's share in the cost and net proceeds distribution as contained in clause 5.11 of the Amended Constitution

▲ The Settlement Proposal provides a commercial outcome for Growers. It is recommended Grower vote in favour of all Resolutions.

9. Resolutions

4 Resolution 1

“That the proposal set out in the Explanatory Memorandum, under which one of the following will occur:

- (a) the Scheme will continue in a restructured form; or*
- (b) the land owned by TP, FEA or FEAC and used in the Scheme will be sold unencumbered, be approved.”*

9. Resolutions

4 Amending Resolutions to Resolution 2:

Amendment 1

Omit "Operative Date (as that term is defined in the Explanatory Memorandum)" and replace it with "date on which the Implementation Deed (as that term is defined in the Explanatory Memorandum, and as amended by the parties from time to time) becomes unconditional"

Amendment 2

In clause 5.11 of the draft Constitution, omit the schedule, and replace it with:

Scheme	Share (%)
Tasmanian Forests Trust No 3 (ARSN 093 165 005)	1.73%
Tasmanian Forests Trust No 4 (ARSN 093 165 103)	2.90%
Tasmanian Forests Trust No 5 (ARSN 093 165 050)	2.73%
Tasmanian Forests Trust No 6 (ARSN 093 165 327)	8.41%
Tasmanian Forests Trust No 7 (ARSN 093 164 866)	60.06%
Tasmanian Forests Project 2000 (ARSN 092 500 984)	18.97%
Australian Forests Project 2001 (ARSN 094 614 678)	5.20%

9. Resolutions

4 Amended Resolution now becomes Resolution 2

"That the Constitution of the Scheme as registered with ASIC on 19 June 2000 (and subsequently varied) be amended on the date on which the Implementation Deed (as that term is defined in the Explanatory Memorandum, and as amended by the parties from time to time) becomes unconditional as marked in the version of the Constitution annexed to the Notice of Meeting and marked for identification with the letter A"

9. Resolutions

Resolution 3

"That:

- (a) subject to and conditional upon:
- (i) completion of a disposal of land comprised in the Tasmanian Estate with such land being disposed of subject to MIS Encumbrances (MIS Disposal); and
 - (ii) the conditions precedent referred to in the attached schedule 1 being satisfied or waived: then
 - (iii) The Responsible Entity be directed to execute on behalf of members any document required to novate any scheme documents to the Responsible Entity from another entity in the FEA Group; and
 - (iv) FEAP retire as Responsible Entity of the Scheme and Macquarie Alternative Asset Management Ltd be appointed as Responsible Entity of the Scheme in its stead; or
- (b) if there is no MIS Disposal on or before 31 March 2014:
- (i) the Scheme be wound up pursuant to Section 601NB of the Corporations Act and Section 5.1(a) of the Constitution together with any order which the Court may seem fit to make pursuant to Section 601NF(2) of the Corporations Act; and
 - (ii) Brian Raymond Silvia and Peter Paul Krejci be appointed to take responsibility for ensuring that the Scheme is wound up in accordance with its Constitution; and
 - (iii) the winding up be postponed pursuant to Clause 5.3 of the Constitution of the Scheme for such a period as the Responsible Entity may determine is in the interests of members of the Scheme; and
- the members authorize and direct the Responsible Entity (and any other person authorized by the Responsible Entity) as their attorney to execute on their behalf all documents required to acknowledge termination of any leases held or interests in forestry rights held by or for the benefits of any members, or to assign, novate, surrender or otherwise deal with such leases or interests."

10. Questions

Questions

Meeting Closed

Thank you for attending

**MINUTES OF THE MEETING OF MEMBERS OF TASMANIAN FORESTS PROJECT 2000 ("FEAP 2000")
ARSN 092 500 984 HELD ON MONDAY, 11 NOVEMBER 2013 AT 11.30 AM AT THE GRAND
CHANCELLOR, 29 CAMERON STREET LAUNCESTON TAS 7250.**

PRESENT	<u>Person</u> Brian Silvia	Chairman and Deed Administrator of FEA Plantations Limited as Responsible Entity of FEAP 2000 (Subject to Deed of Company Arrangement) ("FEAP")
	Stephen Sawyer	Deed Administrator's Legal Advisor, from Cornwall Stodart
	Alva Zeng	Deed Administrator's Assistant
	Matthew Jacobs	Deed Administrator's Assistant
	Other Attendees	Refer to attached Attendance Schedule
OPEN AND WELCOME	Mr Brian Silvia introduced himself and his assistant to the Meeting as the Chairman and Deed Administrator of FEAP. The Chairman advised the Meeting has been called by the Scheme's current Responsible Entity ("RE"), FEAP, pursuant to Section 252A of the Corporations Act 2001 ("the Act"). The RE appoints its Joint and Several Deed Administrator, Mr Brian Silvia, to chair the Meeting. The Chairman advised the Meeting would be assisted by a PowerPoint presentation (attached). Ms Carol Lee and Mr Andrew McCarthy of the Macquarie Bank Limited attended the Meeting as observers.	
CONVENING OF THE MEETING	The Chairman advised the Meeting is a resumption of the Meeting held on 17 October 2013 which had been convened by Notice of Meeting dated 23 September 2013, a copy of which is attached. The Chairman noted a Supplementary Explanatory Memorandum dated 1 November 2013 had been distributed to Growers by both post and email notifying them of the resumption of the Scheme Meeting on 11 November 2013 at the same time and place as the original meeting.	
TIME AND PLACE	The Chairman asked attendees if there was any objection to the time and place of this resumed Meeting. No objection was raised. The Chairman declared:	

"That the Meeting had been held at a reasonable time and place."

QUORUM

Pursuant to Section 252R of the Act, the quorum for a meeting of a registered Scheme's members is two members.

The Chairman declared:

"That a quorum was present for the Meeting".

PROXIES

The Chairman tabled proxies received inviting their inspection at the conclusion of the meeting.

The Chairman explained the following:

1. **Poll** – The proposed Resolutions 2 and 3 are special and extraordinary resolutions and will be put to the vote on a poll pursuant to Section 253J(1) of the Act.
2. **Number and value of votes** – On a poll, each Grower (identified by a Grower Number) has one vote for each dollar of the value of the total interest they have in the Scheme. Pursuant to clause 18.4 of the current Scheme Constitution, the value of each Grower's vote is to be determined in accordance with the number of woodlots held by the Growers.
3. **Conduct of the Poll** – The voting cards will be counted by an external professional meeting service company, Link Market Services. Each attendee entitled to vote has been given a voting card.
4. **Proposed amendments to Resolution 2** – It is proposed Resolution 2 will be amended as detailed in the Supplementary EM.

PURPOSE OF MEETING:

The Chairman noted that the Meeting had been convened by Notice dated 23 September 2013 pursuant to Section 252A of the Act.

The Meeting was convened for the following purpose:

- ▲ To receive Explanatory Memorandum ("EM") dated 23 September 2013 and Supplementary Explanatory Memorandum ("Supplementary EM") dated 1 November 2013 including the proposed amended Constitution;
- ▲ To consider the contents of both the EM and Supplementary EM and the proposed amendments to the current Scheme Constitution as outlined therein;

**SUPPLEMENTARY
EXPLANATORY
MEMORANDUM**

- ⚡ For Members to consider, and if thought fit, pass the resolutions detailed below; and
- ⚡ Any other business that may be lawfully brought forward.

The Chairman tabled the EM dated 23 September 2013, which was taken to have been read. He then advised the Meeting would be supported by the attached PowerPoint presentation. Whilst dealing with each of the issues outlined in it, he made the following comments:

Update regarding ASIC Enquiry

- ⚡ ASIC previously raised a number of queries concerning the Settlement Proposal before the Scheme Meeting held on 17 October 2013. It had also requested a Supplementary EM be issued and an additional period of notice before resumption of this meeting.

As a result, the Scheme Meeting held on 17 October 2013 was adjourned to 11 November 2013 at the same time and place. The FEAP Varied DOCA was also amended and extended to 29 November 2013 at a Section 445F Meeting of Creditors held on 29 October 2013.

- ⚡ The Deed Administrators' solicitors provided information to ASIC in response to its queries. However, resolution of the issues raised was delayed as a consequence of a number of issues including the relevant ASIC officer being on leave for a period of time.
- ⚡ ASIC subsequently indicated it did not require a Supplementary EM. However, the Deed Administrators prepared an update to Growers on the basis of keeping them informed of developments.
- ⚡ The Supplementary EM was issued on 1 November 2013 and distributed to Growers providing:
 - More information concerning the Settlement proposal;
 - Notifying Growers of the Adjourned Scheme Meeting; and
 - Outlining proposed amendments to Resolution 2 contained in the Original EM.

Updated Estimated Return to Growers

- ⚡ The Deed Administrators have updated the financial model estimating Grower returns based on the continuing dynamics of costs incurred in the Administration process and issues attaching to the value of Growers' trees.
- ⚡ The variance between the estimated returns contained in the Original and Supplementary EM mainly related to:
 - Changes in projected harvesting time and hence the resulting

- increase in the projected timber volume and price;
- The inclusion of the estimated net return to Growers rather than gross return; and
- Changes in projected Scheme expenses.

Additional Key Risks under the MIS Transition

- ⚡ Additional key risks not contained in the original Prospectus mentioned in EM have been further expanded in the Supplementary EM.

Proposed Fees and Charges under the MIS Transition

- ⚡ The MIS Transition process contemplates Macquarie Alternative Assets Management Ltd ("MAAML"), becoming the replacement Responsible Entity ("replacement RE") continuing to manage the Scheme through to harvesting.
- ⚡ The Supplementary EM clarified proposed fees and charges as being those contained in the proposed amended Constitution. Fees and charges levied may vary subject to MAAML's discretion.

Conditions Precedent to MIS Transition

- ⚡ The Chairman noted Conditions Precedent B, C, and L contained in Schedule A of the Notice of Meeting dated 23 September 2013 have not been met.
- ⚡ He further noted ASIC had provided conditional relief to MAAML in respect of its normal statutory obligation on 8 November 2013. However, technically Condition Precedent A has not been satisfied as MAAML has not formally advised whether the ASIC relief is in a form to its satisfaction.

Outstanding Milestone Events

- ⚡ The Chairman commented the most significant outstanding Milestones required under the Implementation Deed was the need for the three proposed Resolutions for consideration at this Meeting to be also passed at the 1995 to 2001 Scheme Meetings (excluding 2000) and the winding up order of 2002 to 2009 Schemes.
- ⚡ The applications for winding up the 2002 to 2009 Schemes will be filed shortly with an anticipated hearing date on 26 or 27 November 2013. If the winding up orders are not obtained before 29 November 2013, the FEAP and FEAP Varied DOCAs will "drop dead" on 29 November 2013.

Proposed Amendments to Resolution 2

- Δ The Operative Date as defined in the Original EM refers to the meaning given to it in the Implementation Deed dated 5 September 2013. The Implementation Deed has been amended and it is possible that it may be amended in the future to facilitate the implementation of the Settlement Proposal. It is proposed the definition of 'Operative Date' as contained in Resolution 2 be amended to incorporate any future amendments to the Implementation Deed.
- Δ The percentage sharing costs contained in clause 5.11 of the amended Constitution were calculated on the previously perceived proportionate net present value for each Scheme of the projected cash flow of the 1995 to 2001 Schemes. As the proportionate net present value of the project Scheme cash flows have changed, it is proposed the cost sharing percentage as contained in clause 5.11 of the amended Constitution be changed accordingly. The Chairman noted the changes in the percentages are not material.

DEED ADMINISTRATORS' RECOMMENDATION

The Chairman recommends Growers vote in favour of all proposed Resolutions. He noted the Settlement Proposal will "fall over" unless all Scheme Growers approve the Resolutions with their requisite majorities.

RESOLUTIONS

The following Resolution was put to the Meeting:

Resolution 1

The Chairman put the following resolution to the meeting:

"That the proposal set out in the Explanatory Memorandum, under which one of the following will occur:

- (a) the Scheme will continue in a restructured form; or*
- (b) the land owned by TP, FEA or FEAC and used in the Scheme will be sold unencumbered,*

be approved."

The Chairman declared the resolution carried on the voices. He noted he had exercised special proxies conferred upon him in accordance with their terms.

Amending Resolution to Resolution 2

The Chairman proposed to combine the proposed amendments to Resolution 2 into one amending Resolution, and invited objection from the Meeting against voting on the proposed amendments to Resolution 2 simultaneously.

The Chairman noted clause 5.11 in the amended Constitution annexed to the Notice of Meeting has been amended in accordance with the amending Resolution and marked for identification with the letter A. A copy of this amended Constitution is attached.

The Chairman announced the result of the poll as following:

Summary of Outcome as per Link Market Report			
For	Against	Abstain	Total
Woodlots	Woodlots	Woodlots	Woodlots Voted
3,680.73	81.66	Nil	3,762.39
97.83%	2.17%	0.00%	100.00%

The Chairman declared Resolution carried.

Resolution 3

The Chairman put the following resolution to the meeting:

"That:

(a) subject to and conditional upon:

- (i) completion of a disposal of land comprised in the Tasmanian Estate with such land being disposed of subject to MIS Encumbrances (MIS Disposal); and*
- (ii) the conditions precedent referred to in the attached schedule 1 being satisfied or waived:*

then

(iii) The Responsible Entity be directed to execute on behalf of members any document required to novate any scheme documents to the Responsible Entity from another entity in the FEA Group; and

(iv) FEAP retire as Responsible Entity of the Scheme and Macquarie Alternative Asset Management Ltd be appointed as Responsible Entity of the Scheme in its stead; or

(b) if there is no MIS Disposal on or before 31 March 2014:

(i) the Scheme be wound up pursuant to Section 601NB of the Corporations Act and Section 5.1(a) of the Constitution together with any order which the Court may seem fit to make pursuant to Section 601NF(2) of the Corporations Act; and

(ii) Brian Raymond Silvia and Peter Paul Krejci be appointed to take responsibility for ensuring that the Scheme is wound up in accordance with its Constitution; and

(iii) the winding up be postponed pursuant to Clause 5.3 of the Constitution of the Scheme for such a period as the Responsible Entity may determine is in the interests of members of the Scheme; and

the members authorize and direct the Responsible Entity (and any other person authorized by the Responsible Entity) as their attorney to execute on their behalf all documents required to acknowledge termination of any leases held or interests in forestry rights held by or for the benefits of any members, or to assign, novate, surrender or otherwise deal with such leases or interests."

The Chairman announced the result of the poll as following:

Summary of Outcome as per Link Market Report				
For	Against	Abstain	Total	Total Number of
Woodlots	Woodlots	Woodlots	Woodlots	Woodlots Entitled to
			Voted	Vote
			Woodlots	Woodlots
3,747.39	15.00	Nil	3,762.39	6,063.11
61.81%	0.25%	0.00%	62.05%	100.00%

The Chairman declared Resolution carried.

QUESTIONS

The Chairman invited questions from the attendees.

No further questions were raised.


CLOSURE OF MEETING:

There being no further business, the Chairman thanked those present for attending.

The Chairman declared the Meeting Closed at 11.49 am.

Signed as a correct record.

DATED this the 21st day of November 2013.


BRIAN SILVIA
CHAIRMAN

**BETTER OUTCOMES
THROUGH EXPERIENCE**

**TASMANIAN FORESTS PROJECT 2000
ARSN 092 500 984**

**MEETING OF MEMBERS
11 November 2013**

**CONVENED BY FE A PLANTATIONS LIMITED AS RESPONSIBLE ENTITY
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)
(RECEIVERS APPOINTED)**

BRI Ferrier

Business Reconstruction & Insolvency

Sydney | Melbourne | Brisbane | Perth | Adelaide | Townsville | Cairns | Hong Kong

Agenda

1. Introduction
2. Purpose of Meeting
3. Background Information
4. Deed Administrators' Update
5. Settlement Proposal – Sale Process Options
6. Estimated Return to Growers per Woodlot
7. MIS Transition
 - Summary of Fees and Charges
 - Key Risks
 - Conditions Precedent
8. Deed Administrators' Comments on Proposed Resolutions
9. Resolutions
10. Questions

1. Introduction

- ▲ Introductions: Deed Administrators
- ▲ Corporate Regulations:
 1. Resumed Meeting convened by Notice dated 23 September 2013 pursuant to Section 252A of Corporations Act 2001.
 2. Time and place of Meeting.
 3. Quorum.
 4. Voting:
 - ▲ Poll required for Special and Extraordinary Resolutions
 - ▲ On a poll, each Grower (identified by a Grower Number) has one vote for each dollar of the value of the total interest they have in the Scheme
 - ▲ Value of each Grower's vote determined by number of woodlots held

2. Purpose of Meeting

- ▶ To receive Explanatory Memorandum (“EM”) dated 23 September 2013 and Supplementary Explanatory Memorandum (“Supplementary EM”) dated 1 November 2013
- ▶ To consider the contents of both EMs and Supplementary EM and the proposed amendments to the current Scheme Constitutions as outlined therein
- ▶ For Members to consider, and if thought fit, pass the resolutions detailed below
- ▶ Any other business that may be lawfully brought forward

3. Background Information

- ▲ Company into Voluntary Administration on 14 April 2010 and subsequently Deed of Company Arrangement (“DOCA”) on 14 December 2010
- ▲ From April 2010 until late 2012, protracted legal disputes between Deed Administrators representing Creditors and Growers and the Receivers
- ▲ Mediation between Deed Administrators and Banks began in October 2012
- ▲ In June 2013, Deed Administrators and Banks reached in principle commercial agreement to a Settlement Proposal
- ▲ On 28 June 2013, FEAP and FEA Varied DOCAs approved by Creditors including Growers
- ▲ On 5 September 2013, Implementation Deed executed by Banks and Deed Administrators concerning sale process and asset distribution to Growers – One-Line Sale vs MIS Transition
- ▲ On 23 September 2013, EM and Scheme Meeting Notice issued

4. Deed Administrators' Update

- ▲ 23 September 2013 to 10 October 2013, various financial advisor meetings, Grower Online Information Session, FEA Growers Group telephone conferences, and COI Meeting were held
- ▲ On 9 October 2013, ASIC in considering the application for relief regarding MIS Transition raised queries in writing about information in the EM
- ▲ On 17 October 2013, Scheme Meeting was adjourned to 11 November 2013
- ▲ ASIC subsequently indicated it did not require a Supplementary EM. However, the Deed Administrators were prepared to issue an update to Growers.
- ▲ On 29 October 2013, FEAP and FEA Creditors approved the amendments to Varied DOCAs and its extension to 29 November 2013
- ▲ On 1 November 2013, Supplementary EM issued, providing:
 - More information about the Settlement proposal;
 - Notifying Growers of the Adjourned Scheme Meeting; and
 - Outlining proposed amendments to the Resolution 2 as contained in the Original EM

5. Settlement Proposal – Sale Process Options

Option 1 – One Line Sale

- ▲ In the first instance, the Internal land owned by entities in the FEA Group and the trees planted on it will be offered for sale together, with a share of the net proceeds being paid to Growers. This is called a “One-line Sale”.

Option 2 – MIS Transition

- ▲ A Macquarie Group entity (“Macquarie”) may become the Responsible Entity of the 1995 to 2001 Schemes and continue them until harvest, sale or wind-up, under lease arrangements with new owner/s of the Internal Land. If Macquarie is to be appointed, the Schemes will need to amend their Constitutions and related documents to provide for more commercially practical lease and management arrangements.

Buyers will be able to make an offer for the land under either or both scenarios

The outcome of the sale process will be determined by the Receivers based on the bids received and the Sale Advisor’s advice

6. Estimated Return to Growers per Woodlot

Project 2000

Projection	Estimated Return Per Woodlot					
	One Line Sale		MIS Transition Option 1		MIS Transition Option 2	
	Low	High	Low	High	Low	High
Original EM	300	820	2,022	2,802	2,022	2,802
<u>Less:</u> Gross Distribution as per Original EM	-	-	(413)	(413)	(387)	(387)
Required Grower Contributions to New RE to Clear Fall Harvest	\$300	\$820	\$1,609	\$2,389	\$1,635	\$2,415
Estimated Net Distribution	\$312	\$748	\$1,905	\$2,398	\$1,936	\$2,428
Supplementary EM						
Estimated Net Distribution	\$12	(\$72)	\$296	\$9	\$301	\$13
Variance						

6. Estimated Return to Growers per Woodlot

- ▲ The differences between the projections in the Supplementary and Original EM arose as a result of:
 - Showing net as opposed to gross return. The net return is after deducting projected contributions to the New RE
 - Higher projected volume and prices of timber to be harvested, the result of deferral of harvesting over the past year in the face of depressed prices
 - Changes in the projected Administration and Legal fees –reduced overhead
 - Revised assumptions on financial performance of the scheme between now and the outcome of the sale process
 - More equitable allocation of scheme expenses sharing

7. MIS Transition – Summary of Fees and Charges

Fee Item	Unit	CPI Indexed	Amount
Initial Contribution	per woodlot	No	100.00
Management Fee	per woodlot/per annum	Yes	50.00
Lease Fee – Ongoing Members	per woodlot/per annum	Yes	50.00
Lease Fee – Prepaid Members	per woodlot/per annum	Yes	41.67
Fixed Management Fee*	per ha	Yes	900.00
Sales Proceeds Fee*	%	No	12.5%

Fixed Management Fee and Sale Proceeds Fee have been factored into the Estimated Return to Growers in the Supplementary EM.

This fee structure is based on a Grower's woodlot size being one third of a hectare.

7. MIS Transition – Key Risks

- ▶ The following risks may adversely affect the value of your investment and the estimated return to Growers:
 - Timber price risk
 - Foreign exchange risk
 - Access to infrastructure risk
 - Yield and quality risk
 - Environmental risk
 - Fire risk
 - Regulatory risk
 - Loss of investment risk
 - Risk of additional liabilities
 - Insolvency risk
 - Non-performance risk
 - Substitution of lease rights
 - Early wind up prior to harvest
 - Delay to implement Settlement Proposal
 - Other Grower actions

7. MIS Transition – Conditions Precedent

- ▲ There are a number of Conditions Precedent (“CP’s”) to the Macquarie entity unconditionally agreeing to become new RE
- ▲ The following CP’s have not been met:
 - CP B – Tax / duties advice obtained by Macquarie to its satisfaction
 - CP C – Macquarie entity obtaining all necessary internal approval
 - CP L – Appropriate due diligence performed by Macquarie entity to their satisfaction
- ▲ It is uncertain whether all of the CP’s will be able to be satisfied
- ▲ If CP’s are not all satisfied, Macquarie retains an ability to waive satisfaction of the CP’s. Whether Macquarie will in fact do so is uncertain

8. Deed Administrators' Comments on Proposed Resolutions

▲ Growers' approval is required for:

Resolution	Summary of Resolution	Type of Resolution Required	Vote Required
Resolution 1	Overall acceptance of the Settlement	Ordinary	50% of all woodlots voting at meeting
Resolution 2	Resolution for amendments to each of the respective Scheme's Constitution	Special	75% of all woodlots voting at meeting
Resolution 3	Resolution for the potential appointment of Mac Bank as New RE and allows for Schemes to be wound up (if One Line Sale occurs)	Extraordinary	50% of all woodlots within each Scheme voting in favour of the Resolution

▲ Proposed amendments to Resolution 2:

- Definition of the date on which the current Constitution is to be amended
- Percentage of the Scheme's share in the cost and net proceeds distribution as contained in clause 5.11 of the Amended Constitution

▲ The Settlement Proposal provides a commercial outcome for Growers. It is recommended Grower vote in favour of all Resolutions.

9. Resolutions

▲ Resolution 1

“That the proposal set out in the Explanatory Memorandum, under which one of the following will occur:

- (a) the Scheme will continue in a restructured form; or*
- (b) the land owned by TP, FEA or FEAC and used in the Scheme will be sold unencumbered, be approved.”*

9. Resolutions

▲ Amending Resolutions to Resolution 2:

Amendment 1

Omit "Operative Date (as that term is defined in the Explanatory Memorandum)" and replace it with "date on which the Implementation Deed (as that term is defined in the Explanatory Memorandum, and as amended by the parties from time to time) becomes unconditional"

Amendment 2

In clause 5.11 of the draft Constitution, omit the schedule, and replace it with:

Scheme	Share (%)
Tasmanian Forests Trust No 3 (ARSN 093 165 005)	1.73%
Tasmanian Forests Trust No 4 (ARSN 093 165 103)	2.90%
Tasmanian Forests Trust No 5 (ARSN 093 165 050)	2.73%
Tasmanian Forests Trust No 6 (ARSN 093 165 327)	8.41%
Tasmanian Forests Trust No 7 (ARSN 093 164 866)	60.06%
Tasmanian Forests Project 2000 (ARSN 092 500 984)	18.97%
Australian Forests Project 2001 (ARSN 094 614 678)	5.20%

9. Resolutions

▲ Amended Resolution now becomes Resolution 2

"That the Constitution of the Scheme as registered with ASIC on 7 June 2000 (and subsequently varied) be amended on the date on which the Implementation Deed (as that term is defined in the Explanatory Memorandum, and as amended by the parties from time to time) becomes unconditional as marked in the version of the Constitution annexed to the Notice of Meeting and marked for identification with the letter A"

9. Resolutions

4 Resolution 3

"That:

- (a) subject to and conditional upon:
- (i) completion of a disposal of land comprised in the Tasmanian Estate with such land being disposed of subject to MIS Encumbrances (MIS Disposal); and
 - (ii) the conditions precedent referred to in the attached schedule 1 being satisfied or waived:
then
 - (iii) The Responsible Entity be directed to execute on behalf of members any document required to novate any scheme documents to the Responsible Entity from another entity in the FEA Group; and
 - (iv) FEAP retire as Responsible Entity of the Scheme and Macquarie Alternative Asset Management Ltd be appointed as Responsible Entity of the Scheme in its stead; or
- (b) if there is no MIS Disposal on or before 31 March 2014:
- (i) the Scheme be wound up pursuant to Section 601NB of the Corporations Act and Section 5.1(a) of the Constitution together with any order which the Court may seem fit to make pursuant to Section 601NF(2) of the Corporations Act; and
 - (ii) Brian Raymond Silvia and Peter Paul Krejci be appointed to take responsibility for ensuring that the Scheme is wound up in accordance with its Constitution; and
 - (iii) the winding up be postponed pursuant to Clause 5.3 of the Constitution of the Scheme for such a period as the Responsible Entity may determine is in the interests of members of the Scheme; and
- the members authorize and direct the Responsible Entity (and any other person authorized by the Responsible Entity) as their attorney to execute on their behalf all documents required to acknowledge termination of any leases held or interests in forestry rights held by or for the benefits of any members, or to assign, novate, surrender or otherwise deal with such leases or interests."

10. Questions

Questions

Meeting Closed

Thank you for attending

**MINUTES OF THE MEETING OF MEMBERS OF AUSTRALIAN FORESTS PROJECT 2001 ("FEAP 2001")
ARSN 094 614 678 HELD ON MONDAY, 11 NOVEMBER 2013 AT 1.00 PM AT THE GRAND
CHANCELLOR, 29 CAMERON STREET LAUNCESTON TAS 7250.**

PRESENT	<u>Person</u>	
	Brian Silvia	Chairman and Deed Administrator of FEA Plantations Limited as Responsible Entity of FEAP 2001 (Subject to Deed of Company Arrangement) ("FEAP")
	Stephen Sawyer	Deed Administrator's Legal Advisor, from Cornwall Stodart
	Alva Zeng	Deed Administrator's Assistant
	Matthew Jacobs	Deed Administrator's Assistant
	Other Attendees	Refer to attached Attendance Schedule

**OPEN AND
WELCOME**

Mr Brian Silvia introduced himself and his assistant to the Meeting as the Chairman and Deed Administrator of FEAP.

The Chairman advised the Meeting has been called by the Scheme's current Responsible Entity ("RE"), FEAP, pursuant to Section 252A of the Corporations Act 2001 ("the Act"). The RE appoints its Joint and Several Deed Administrator, Mr Brian Silvia, to chair the Meeting. The Chairman advised the Meeting would be assisted by a PowerPoint presentation (attached).

Ms Carol Lee and Mr Andrew McCarthy of the Macquarie Bank Limited attended the Meeting as observers.

**CONVENING OF THE
MEETING**

The Chairman advised the Meeting is a resumption of the Meeting held on 17 October 2013 which had been convened by Notice of Meeting dated 23 September 2013, a copy of which is attached.

The Chairman noted a Supplementary Explanatory Memorandum dated 1 November 2013 had been distributed to Growers by both post and email notifying them of the resumption of the Scheme Meeting on 11 November 2013 at the same time and place as the original meeting.

TIME AND PLACE

The Chairman asked attendees if there was any objection to the time and

place of this resumed Meeting.

No objection was raised.

The Chairman declared:

"That the Meeting had been held at a reasonable time and place,"

QUORUM

Pursuant to Section 252R of the Act, the quorum for a meeting of a registered Scheme's members is two members.

The Chairman declared:

"That a quorum was present for the Meeting".

PROXIES

The Chairman tabled proxies received inviting their inspection at the conclusion of the meeting.

The Chairman explained the following:

1. **Poll** – The proposed Resolutions 2 and 3 are special and extraordinary resolutions and will be put to the vote on a poll pursuant to Section 253J(1) of the Act.
2. **Number and value of votes** – On a poll, each Grower (identified by a Grower Number) has one vote for each dollar of the value of the total interest they have in the Scheme. Pursuant to clause 18.4 of the current Scheme Constitution, the value of each Grower's vote is to be determined in accordance with the number of woodlots held by the Growers.
3. **Conduct of the Poll** – The voting cards will be counted by an external professional meeting service company, Link Market Services. Each attendee entitled to vote has been given a voting card.
4. **Proposed amendments to Resolution 2** – It is proposed Resolution 2 will be amended as detailed in the Supplementary EM.

PURPOSE OF MEETING:

The Chairman noted that the Meeting had been convened by Notice dated 23 September 2013 pursuant to Section 252A of the Act.

The Meeting was convened for the following purpose:

- 4 To receive Explanatory Memorandum ("EM") dated 23 September

2013 and Supplementary Explanatory Memorandum ("Supplementary EM") dated 1 November 2013 including the proposed amended Constitution;

- Δ To consider the contents of both the EM and Supplementary EM and the proposed amendments to the current Scheme Constitution as outlined therein;
- Δ For Members to consider, and if thought fit, pass the resolutions detailed below; and
- Δ Any other business that may be lawfully brought forward.

**SUPPLEMENTARY
EXPLANATORY
MEMORANDUM**

The Chairman tabled the EM dated 23 September 2013, which was taken to have been read. He then advised the Meeting would be supported by the attached PowerPoint presentation. Whilst dealing with each of the issues outlined in it, he made the following comments:

Update regarding ASIC Enquiry

- Δ ASIC previously raised a number of queries concerning the Settlement Proposal before the Scheme Meeting held on 17 October 2013. It had also requested a Supplementary EM be issued and an additional period of notice before resumption of this meeting.

As a result, the Scheme Meeting held on 17 October 2013 was adjourned to 11 November 2013 at the same time and place. The FEAP Varied DOCA was also amended and extended to 29 November 2013 at a Section 445F Meeting of Creditors held on 29 October 2013.

- Δ The Deed Administrators' solicitors provided information to ASIC in response to its queries. However, resolution of the issues raised was delayed as a consequence of a number of issues including the relevant ASIC officer being on leave for a period of time.
- Δ ASIC subsequently indicated it did not require a Supplementary EM. However, the Deed Administrators prepared an update to Growers on the basis of keeping them informed of developments.
- Δ The Supplementary EM was issued on 1 November 2013 and distributed to Growers providing:
 - More information concerning the Settlement proposal;
 - Notifying Growers of the Adjourned Scheme Meeting; and
 - Outlining proposed amendments to Resolution 2 contained in the Original EM.

Updated Estimated Return to Growers

- ⚡ The Deed Administrators have updated the financial model estimating Grower returns based on the continuing dynamics of costs incurred in the Administration process and issues attaching to the value of Growers' trees.
- ⚡ The variance between the estimated returns contained in the Original and Supplementary EM mainly related to:
 - Changes in projected harvesting time and hence the resulting increase in the projected timber volume and price;
 - The inclusion of the estimated net return to Growers rather than gross return; and
 - Changes in projected Scheme expenses.

Additional Key Risks under the MIS Transition

- ⚡ Additional key risks not contained in the original Prospectus mentioned in EM have been further expanded in the Supplementary EM.

Proposed Fees and Charges under the MIS Transition

- ⚡ The MIS Transition process contemplates Macquarie Alternative Assets Management Ltd ("MAAML"), becoming the replacement Responsible Entity ("replacement RE") continuing to manage the Scheme through to harvesting.
- ⚡ The Supplementary EM clarified proposed fees and charges as being those contained in the proposed amended Constitution. Fees and charges levied may vary subject to MAAML's discretion.

Conditions Precedent to MIS Transition

- ⚡ The Chairman noted Conditions Precedent B, C, and L contained in Schedule A of the Notice of Meeting dated 23 September 2013 have not been met.
- ⚡ He further noted ASIC had provided conditional relief to MAAML in respect of its normal statutory obligation on 8 November 2013. However, technically Condition Precedent A has not been satisfied as MAAML has not formally advised whether the ASIC relief is in a form to its satisfaction.

Outstanding Milestone Events

- ⚡ The Chairman commented the most significant outstanding Milestones required under the Implementation Deed was the need for

the three proposed Resolutions for consideration at this Meeting to be also passed at the 1995 to 2000 Scheme Meetings and the winding up order of 2002 to 2009 Schemes.

- 4 The applications for winding up the 2002 to 2009 Schemes will be filed shortly with an anticipated hearing date on 26 or 27 November 2013. If the winding up orders are not obtained before 29 November 2013, the FEAP and FEAP Varied DOCAs will "drop dead" on 29 November 2013.

Proposed Amendments to Resolution 2

- 4 The Operative Date as defined in the Original EM refers to the meaning given to it in the Implementation Deed dated 5 September 2013. The Implementation Deed has been amended and it is possible that it may be amended in the future to facilitate the implementation of the Settlement Proposal. It is proposed the definition of 'Operative Date' as contained in Resolution 2 be amended to incorporate any future amendments to the Implementation Deed.
- 4 The percentage sharing costs contained in clause 5.11 of the amended Constitution were calculated on the previously perceived proportionate net present value for each Scheme of the projected cash flow of the 1995 to 2001 Schemes. As the proportionate net present value of the project Scheme cash flows have changed, it is proposed the cost sharing percentage as contained in clause 5.11 of the amended Constitution be changed accordingly. The Chairman noted the changes in the percentages are not material.

DEED ADMINISTRATORS' RECOMMENDATION

The Chairman recommends Growers vote in favour of all proposed Resolutions. He noted the Settlement Proposal will "fall over" unless all Scheme Growers approve the Resolutions with their requisite majorities.

RESOLUTIONS

The following Resolution was put to the Meeting:

Resolution 1

The Chairman put the following resolution to the meeting:

"That the proposal set out in the Explanatory Memorandum, under which one of the following will occur:

- (a) the Scheme will continue in a restructured form; or*
- (b) the land owned by TP, FEA or FEAC and used in the Scheme will be sold unencumbered,*

be approved."

The Chairman declared the resolution carried on the voices. He noted he had exercised special proxies conferred upon him in accordance with their terms.

Amending Resolution to Resolution 2

The Chairman proposed to combine the proposed amendments to Resolution 2 into one amending Resolution, and invited objection from the Meeting against voting on the proposed amendments to Resolution 2 simultaneously.

No objection was raised.

The Chairman put the following proposed amendment to Resolution 2 as one Resolution to the Meeting:

“That Resolution 2 as outlined in the notice of meeting dated 23rd September 2013, be amended as follows:

Amendment 1

“Omit “Operative Date (as that term is defined in the Explanatory Memorandum)” and replace it with “date on which the Implementation Deed (as that term is defined in the Explanatory Memorandum, and as amended by the parties from time to time) becomes unconditional”

Amendment 2

In clause 5.11 of the draft Constitution, omit the schedule, and replace it with:

<i>Scheme</i>	<i>Share (%)</i>
<i>Tasmanian Forests Trust No 3 (ARSN 093 165 005)</i>	<i>1.73%</i>
<i>Tasmanian Forests Trust No 4 (ARSN 093 165 103)</i>	<i>2.90%</i>
<i>Tasmanian Forests Trust No 5 (ARSN 093 165 050)</i>	<i>2.73%</i>
<i>Tasmanian Forests Trust No 6 (ARSN 093 165 327)</i>	<i>8.41%</i>
<i>Tasmanian Forests Trust No 7 (ARSN 093 164 866)</i>	<i>60.06%</i>
<i>Tasmanian Forests Project 2000 (ARSN 092 500 984)</i>	<i>18.97%</i>
<i>Australian Forests Project 2001 (ARSN 094 614 678)</i>	<i>5.20%”</i>

The Chairman declared the resolution carried on the voices. He noted he had exercised special proxies conferred upon him in respect of the original Resolution 2 in accordance with their terms.

Amended Resolution now becomes Resolution 2

The Chairman put the following resolution to the meeting:

"That the Constitution of the Scheme as registered with ASIC on 11 October 2011 (and subsequently varied) be amended on the date on which the Implementation Deed (as that term is defined in the Explanatory Memorandum, and as amended by the parties from time to time) becomes unconditional as marked in the version of the Constitution annexed to the Notice of Meeting and marked for identification with the letter A"

The Chairman noted clause 5.11 in the amended Constitution annexed to the Notice of Meeting has been amended in accordance with the amending Resolution and marked for identification with the letter A. A copy of this amended Constitution is attached.

The Chairman announced the result of the poll as following:

Summary of Outcome as per Link Market Report			
For	Against	Abstain	Total
Woodlots	Woodlots	Woodlots	Woodlots Voted
2,581.57	18.00	Nil	2,599.57
99.31%	0.69%	0.00%	100.00%

The Chairman declared Resolution carried.

Resolution 3

The Chairman put the following resolution to the meeting:

"That:

(a) subject to and conditional upon:

- (i) completion of a disposal of land comprised in the Tasmanian Estate with such land being disposed of subject to MIS Encumbrances (MIS Disposal); and*
- (ii) the conditions precedent referred to in the attached schedule 1 being satisfied or waived:*

then

(iii) The Responsible Entity be directed to execute on behalf of members any document required to novate any scheme documents to the Responsible Entity from another entity in the FEA Group; and

(iv) FEAP retire as Responsible Entity of the Scheme and Macquarie Alternative Asset Management Ltd be appointed as Responsible Entity of the Scheme in its stead; or

(b) If there is no MIS Disposal on or before 31 March 2014:

(i) the Scheme be wound up pursuant to Section 601NB of the Corporations Act and Section 5.1(a) of the Constitution together with any order which the Court may seem fit to make pursuant to Section 601NF(2) of the Corporations Act; and

(ii) Brian Raymond Silvia and Peter Paul Krejci be appointed to take responsibility for ensuring that the Scheme is wound up in accordance with its Constitution; and

(iii) the winding up be postponed pursuant to Clause 5.3 of the Constitution of the Scheme for such a period as the Responsible Entity may determine is in the interests of members of the Scheme; and

the members authorize and direct the Responsible Entity (and any other person authorized by the Responsible Entity) as their attorney to execute on their behalf all documents required to acknowledge termination of any leases held or interests in forestry rights held by or for the benefits of any members, or to assign, novate, surrender or otherwise deal with such leases or interests."

The Chairman announced the result of the poll as following:

Summary of Outcome as per Link Market Report				
For	Against	Abstain	Total Woodlots Voted	Total Number of Woodlots Entitled to Vote
Woodlots	Woodlots	Woodlots	Woodlots	Woodlots
2,553.75	45.82	Nil	2,599.57	3,867.77
66.03%	1.18%	0.00%	67.21%	100.00%

The Chairman declared Resolution carried.

QUESTIONS

The Chairman invited questions from the attendees.

No further questions were raised.

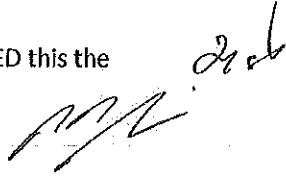
CLOSURE OF MEETING:

There being no further business, the Chairman thanked those present for attending.

The Chairman declared the Meeting Closed at 1.22 pm.

Signed as a correct record.

DATED this the *28th* day of November 2013.

A handwritten signature in black ink, appearing to read 'B. Silvia', is written over the word 'the' in the date line.

BRIAN SILVIA
CHAIRMAN

**BETTER OUTCOMES
THROUGH EXPERIENCE**

**AUSTRALIAN FORESTS PROJECT 2001
ARSN 094 614 678**

**MEETING OF MEMBERS
11 November 2013**

**CONVENED BY FEA PLANTATIONS LIMITED AS RESPONSIBLE ENTITY
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)
(RECEIVERS APPOINTED)**

BRI Ferrier

Business Reconstruction & Insolvency

Sydney | Melbourne | Brisbane | Perth | Adelaide | Townsville | Cairns | Mackay | Hong Kong | Auckland

Agenda

1. Introduction
2. Purpose of Meeting
3. Background Information
4. Deed Administrators' Update
5. Settlement Proposal – Sale Process Options
6. Estimated Return to Growers per Woodlot
7. MIS Transition
 - Summary of Fees and Charges
 - Key Risks
 - Conditions Precedent
8. Deed Administrators' Comments on Proposed Resolutions
9. Resolutions
10. Questions

1. Introduction

- ▲ Introductions: Deed Administrators
- ▲ Corporate Regulations:
 1. Resumed Meeting convened by Notice dated 23 September 2013 pursuant to Section 252A of Corporations Act 2001.
 2. Time and place of Meeting.
 3. Quorum.
 4. Voting:
 - ▲ Poll required for Special and Extraordinary Resolutions
 - ▲ On a poll, each Grower (identified by a Grower Number) has one vote for each dollar of the value of the total interest they have in the Scheme
 - ▲ Value of each Grower's vote determined by number of woodlots held

2. Purpose of Meeting

- ▲ To receive Explanatory Memorandum (“EM”) dated 23 September 2013 and Supplementary Explanatory Memorandum (“Supplementary EM”) dated 1 November 2013
- ▲ To consider the contents of both EMs and Supplementary EM and the proposed amendments to the current Scheme Constitutions as outlined therein
- ▲ For Members to consider, and if thought fit, pass the resolutions detailed below
- ▲ Any other business that may be lawfully brought forward

3. Background Information

- ▲ Company into Voluntary Administration on 14 April 2010 and subsequently Deed of Company Arrangement (“DOCA”) on 14 December 2010
- ▲ From April 2010 until late 2012, protracted legal disputes between Deed Administrators representing Creditors and Growers and the Receivers
- ▲ Mediation between Deed Administrators and Banks began in October 2012
- ▲ In June 2013, Deed Administrators and Banks reached in principle commercial agreement to a Settlement Proposal
- ▲ On 28 June 2013, FEAP and FEA Varied DOCAs approved by Creditors including Growers
- ▲ On 5 September 2013, Implementation Deed executed by Banks and Deed Administrators concerning sale process and asset distribution to Growers – One-Line Sale vs MIS Transition
- ▲ On 23 September 2013, EM and Scheme Meeting Notice issued

4. Deed Administrators' Update

- ▲ 23 September 2013 to 10 October 2013, various financial advisor meetings, Grower Online Information Session, FEA Growers Group telephone conferences, and COI Meeting were held
- ▲ On 9 October 2013, ASIC in considering the application for relief regarding MIS Transition raised queries in writing about information in the EM
- ▲ On 17 October 2013, Scheme Meeting was adjourned to 11 November 2013
- ▲ ASIC subsequently indicated it did not require a Supplementary EM. However, the Deed Administrators were prepared to issue an update to Growers.
- ▲ On 29 October 2013, FEAP and FEA Creditors approved the amendments to Varied DOCAs and its extension to 29 November 2013
- ▲ On 1 November 2013, Supplementary EM issued, providing:
 - More information about the Settlement proposal;
 - Notifying Growers of the Adjourned Scheme Meeting; and
 - Outlining proposed amendments to the Resolution 2 as contained in the Original EM

5. Settlement Proposal – Sale Process Options

Option 1 – One Line Sale

- ▲ In the first instance, the Internal land owned by entities in the FEA Group and the trees planted on it will be offered for sale together, with a share of the net proceeds being paid to Growers. This is called a “One-line Sale”.

Option 2 – MIS Transition

- ▲ A Macquarie Group entity (“Macquarie”) may become the Responsible Entity of the 1995 to 2001 Schemes and continue them until harvest, sale or wind-up, under lease arrangements with new owner/s of the Internal Land. If Macquarie is to be appointed, the Schemes will need to amend their Constitutions and related documents to provide for more commercially practical lease and management arrangements.

Buyers will be able to make an offer for the land under either or both scenarios

The outcome of the sale process will be determined by the Receivers based on the bids received and the Sale Advisor’s advice

6. Estimated Return to Growers per Woodlot

Project 2001

Projection	Estimated Return Per Woodlot					
	One Line Sale		MIS Transition Option 1		MIS Transition Option 2	
	Low	High	Low	High	Low	High
Original EM	133	362	1,348	1,560	1,348	1,560
Gross Distribution as per Original EM						
<u>Less:</u> Required Grower Contributions to New RE to Clear Fall Harvest	-	-	(471)	(471)	(434)	(434)
Estimated Net Distribution	\$133	\$362	\$877	\$1,089	\$914	\$1,126
Supplementary EM	\$134	\$321	\$1,058	\$1,090	\$1,103	\$1,134
<i>Variance</i>	\$1	(\$41)	\$181	\$1	\$189	\$8

6. Estimated Return to Growers per Woodlot

- ▲ The differences between the projections in the Supplementary and Original EM arose as a result of:
 - Showing net as opposed to gross return. The net return is after deducting projected contributions to the New RE
 - Higher projected volume and prices of timber to be harvested, the result of deferral of harvesting over the past year in the face of depressed prices
 - Changes in the projected Administration and Legal fees –reduced overhead
 - Revised assumptions on financial performance of the scheme between now and the outcome of the sale process
 - More equitable allocation of scheme expenses sharing

7. MIS Transition – Summary of Fees and Charges

Fee Item	Unit	CPI Indexed	Amount
Initial Contribution	per woodlot	No	100.00
Management Fee	per woodlot/per annum	Yes	50.00
Lease Fee – Ongoing Members	per woodlot/per annum	Yes	33.33
Lease Fee – Prepaid Members	per woodlot/per annum	Yes	25.00
Fixed Management Fee*	per ha	Yes	900.00
Sales Proceeds Fee*	%	No	12.5%

Fixed Management Fee and Sale Proceeds Fee have been factored into the Estimated Return to Growers in the Supplementary EM.

This fee structure is based on a Grower's woodlot size being one third of a hectare.

7. MIS Transition – Key Risks

- ▲ The following risks may adversely affect the value of your investment and the estimated return to Growers:
 - Timber price risk
 - Foreign exchange risk
 - Access to infrastructure risk
 - Yield and quality risk
 - Environmental risk
 - Fire risk
 - Regulatory risk
 - Loss of investment risk
 - Risk of additional liabilities
 - Insolvency risk
 - Non-performance risk
 - Substitution of lease rights
 - Early wind up prior to harvest
 - Delay to implement Settlement Proposal
 - Other Grower actions

7. MIS Transition – Conditions Precedent

- ▶ There are a number of Conditions Precedent (“CP’s”) to the Macquarie entity unconditionally agreeing to become new RE
- ▶ The following CP’s have not been met:
 - CP B – Tax / duties advice obtained by Macquarie to its satisfaction
 - CP C – Macquarie entity obtaining all necessary internal approval
 - CP L – Appropriate due diligence performed by Macquarie entity to their satisfaction
- ▶ It is uncertain whether all of the CP’s will be able to be satisfied
- ▶ If CP’s are not all satisfied, Macquarie retains an ability to waive satisfaction of the CP’s. Whether Macquarie will in fact do so is uncertain

8. Deed Administrators' Comments on Proposed Resolutions

▲ Growers' approval is required for:

Resolution	Summary of Resolution	Type of Resolution Required	Vote Required
Resolution 1	Overall acceptance of the Settlement	Ordinary	50% of all woodlots voting at meeting
Resolution 2	Resolution for amendments to each of the respective Scheme's Constitution	Special	75% of all woodlots voting at meeting
Resolution 3	Resolution for the potential appointment of Mac Bank as New RE and allows for Schemes to be wound up (if One Line Sale occurs)	Extraordinary	50% of all woodlots within each Scheme voting in favour of the Resolution

- ▲ Proposed amendments to Resolution 2:
- Definition of the date on which the current Constitution is to be amended
 - Percentage of the Scheme's share in the cost and net proceeds distribution as contained in clause 5.11 of the Amended Constitution
- ▲ The Settlement Proposal provides a commercial outcome for Growers. It is recommended Grower vote in favour of all Resolutions.

9. Resolutions

▲ Resolution 1

“That the proposal set out in the Explanatory Memorandum, under which one of the following will occur:

- (a) the Scheme will continue in a restructured form; or*
- (b) the land owned by TP, FEA or FEAC and used in the Scheme will be sold unencumbered, be approved.”*

9. Resolutions

Amending Resolutions to Resolution 2:

Amendment 1

Omit "Operative Date (as that term is defined in the Explanatory Memorandum)" and replace it with "date on which the Implementation Deed (as that term is defined in the Explanatory Memorandum, and as amended by the parties from time to time) becomes unconditional"

Amendment 2

In clause 5.11 of the draft Constitution, omit the schedule, and replace it with:

Scheme	Share (%)
Tasmanian Forests Trust No 3 (ARSN 093 165 005)	1.73%
Tasmanian Forests Trust No 4 (ARSN 093 165 103)	2.90%
Tasmanian Forests Trust No 5 (ARSN 093 165 050)	2.73%
Tasmanian Forests Trust No 6 (ARSN 093 165 327)	8.41%
Tasmanian Forests Trust No 7 (ARSN 093 164 866)	60.06%
Tasmanian Forests Project 2000 (ARSN 092 500 984)	18.97%
Australian Forests Project 2001 (ARSN 094 614 678)	5.20%

9. Resolutions

4 Amended Resolution now becomes Resolution 2

"That the Constitution of the Scheme as registered with ASIC on 11 October 2000 (and subsequently varied) be amended on the date on which the Implementation Deed (as that term is defined in the Explanatory Memorandum, and as amended by the parties from time to time) becomes unconditional as marked in the version of the Constitution annexed to the Notice of Meeting and marked for identification with the letter A"

9. Resolutions

Resolution 3

"That:

- (a) subject to and conditional upon:
- (i) completion of a disposal of land comprised in the Tasmanian Estate with such land being disposed of subject to MIS Encumbrances (MIS Disposal); and
 - (ii) the conditions precedent referred to in the attached schedule 1 being satisfied or waived; then
 - (iii) The Responsible Entity be directed to execute on behalf of members any document required to novate any scheme documents to the Responsible Entity from another entity in the FEA Group; and
 - (iv) FEAP retire as Responsible Entity of the Scheme and Macquarie Alternative Asset Management Ltd be appointed as Responsible Entity of the Scheme in its stead; or
- (b) if there is no MIS Disposal on or before 31 March 2014:
- (i) the Scheme be wound up pursuant to Section 601NB of the Corporations Act and Section 5.1(a) of the Constitution together with any order which the Court may seem fit to make pursuant to Section 601NF(2) of the Corporations Act; and
 - (ii) Brian Raymond Silvia and Peter Paul Krejci be appointed to take responsibility for ensuring that the Scheme is wound up in accordance with its Constitution; and
 - (iii) the winding up be postponed pursuant to Clause 5.3 of the Constitution of the Scheme for such a period as the Responsible Entity may determine is in the interests of members of the Scheme; and
- the members authorize and direct the Responsible Entity (and any other person authorized by the Responsible Entity) as their attorney to execute on their behalf all documents required to acknowledge termination of any leases held or interests in forestry rights held by or for the benefits of any members, or to assign, novate, surrender or otherwise deal with such leases or interests."

Questions



Meeting Closed

Thank you for attending
