

22 May 2009



EMAIL TO GROWERS

Dear Grower

We are writing to update you on progress in the administration of the Timbercorp group of companies.

Firstly, the Administrators would like to thank you for your patience and understanding during the first four weeks of one of the most complex administrations in Australian corporate history.

Our staff and Timbercorp employees have had thousands of contacts with grower investors by email, letter, telephone and the website in the past four weeks.

We realise we have not been able to answer all individual questions or address all issues but please be assured they will be addressed as soon as practicable.

We advised you four weeks ago about our three point plan for the administration. The first two points were to 1) explore short term funding options for Timbercorp projects and 2) devise strategies for the operations on a project by project basis.

Our efforts have been against the background of virtually no cash at hand and poor economic conditions.

Shortly we will begin sending grower investors the initial results of our assessments of the viability of the various projects.

We are most advanced with the olive projects and these grower investors are likely to get their reports first. As you are aware we were able to negotiate an agreement with Boundary Bend Limited for that company to be paid for current harvesting costs from the proceeds of the crop. Under the agreement, growers will receive a share of the proceeds. Similar agreements may be possible for some other projects for short-term operations.

At the moment, minimal operations at least are continuing on all projects to protect the value of the assets. But critical deadlines are approaching and the options for funding are extremely limited.

In these circumstances the administrators cannot be confident about the viability of a number of schemes.

The second meeting of creditors was originally due to be held next week. Because of the administration's complexity, the Administrators this week asked the federal court to allow a postponement as provided under the Act. The court allowed a deferral of 30 days.

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Before the second meeting, you will receive a detailed report on the Company's business, property, affairs and financial circumstances along with recommendations for the future of the companies. The purpose of the second meeting is to give creditors, including grower investors, the opportunity to vote on the future of the companies.

Growers will shortly begin receiving preliminary material on individual projects, including in some cases, our initial recommendations.

Meanwhile the administrators repeat their advice to maintain your loan repayments and project fees. If you are unclear about your obligations and rights or if you have any questions, seek independent advice.

Our biggest issue continues to be cash and any further erosion of cash flow will affect our ability to get the best possible result for grower investors and other creditors.

Once again, thank you for your patience and please refer to the Timbercorp website for continuous updates on your most frequently asked questions or email questions to us at investorqueries@timbercorp.com.au.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'M. Korda', with a stylized, flowing script.

MARK KORDA
Administrator