

IN THE FEDERAL COURT OF AUSTRALIA  
VICTORIA DISTRICT REGISTRY  
GENERAL DIVISION

No. VID 541 of 2009

IN THE MATTER OF TIMBERCORP SECURITIES LIMITED (IN LIQUIDATION)  
ACN 092 311 469

AND

IN THE MATTER OF TIMBERCORP LIMITED (IN LIQUIDATION)  
ACN 055 185 067

TIMBERCORP SECURITIES LIMITED (IN LIQUIDATION)  
ACN 092 311 469  
and OTHERS

Plaintiffs

WA CHIP & PULP CO. PTY LTD  
and OTHERS  
ACN 008 720 518

Defendants

**AFFIDAVIT OF DAVID SYDNEY BUTTERFIELD**

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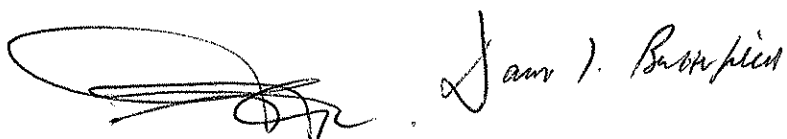
Date of document:	17 August 2009
Filed on behalf of:	Growers
Prepared by:	
Clarendon Lawyers	Tel: 03 8681 4400
Level 17, Rialto North Tower	Fax: 03 8681 4499
525 Collins Street	Solicitors Code: 101294
MELBOURNE VIC 3000	Ref: MJF:0900205

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I, **DAVID SYDNEY BUTTERFIELD** of Level 2, 428 Little Bourke Street, Melbourne, make oath  
as say that:

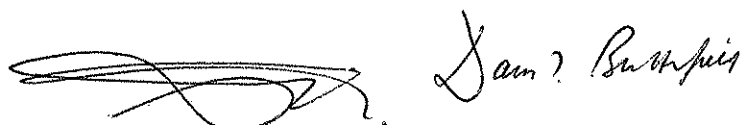
1. I make this affidavit from my own personal knowledge of the facts, save where I state to the contrary.
2. I or entities controlled by me are investors in 11 Timbercorp managed investment schemes as follows:

2008	FinYr (2007/2008) SP Timberlot - Post-30 June	3	\$9,240.00
2008	Olive Early	2	\$11,400.00
2007	(2007/2008) SP Timberlot - Pre-30 June	7	\$21,560.00



2007	Almond Early	4	\$28,000.00
2006	(2005 Post June) SP Timberlot Project	6	\$18,480.00
2004	SP Timberlot - Pre Payment	3	\$9,240.00
2002	Almond - PO	5	\$30,250.00
2002	Olive	3	\$18,810.00
2000	Eucalypts	3	\$10,500.00
1999	Eucalypts	14	\$52,500.00
1998	Eucalypts	5	\$18,750.00
1996	Eucalypts (income now received)	3	\$10,650.00
	<b>Total Investments</b>	<b>58</b>	<b>\$239,380.00</b>

3. In total I have invested \$239,380 plus a substantial amount in annual rent, maintenance and operating costs.
4. I am a Chartered Accountant aged 58. I am a responsible manager to two companies that hold Australian Financial Services Licences to act for managed investment schemes.
5. I planned my investments in Timbercorp as part of my overall retirement plan. The deferred payments under the forestry schemes which I anticipate receiving from this year onwards, and the cash flow from the almond and olive schemes form a substantial part of my income expectations over the next 20 years.
6. I attended the meeting of members of the Timbercorp forestry schemes held on 31 July 2009 by videolink and voted in favour of the resolution put to the meeting. Now produced and shown to me and marked with the letters **DSB-1** is a copy of the notice of meeting.
7. The reasons why I voted in favour of the resolution were that I thought the proposal would result in either a continuation of the schemes if Gunns or TC Growers were the successful bidder or, if a buyer of all the forestry assets were the successful bidder, I would receive a pay out for my trees which would equate to their commercial value, and that there were safeguards in the apportioning of fair value to the trees, namely the involvement of the Timbercorp Growers Group through Owen Lennie in the process and the ultimate sanction of the court.
8. From the outset of the administration and subsequent liquidation of the Timbercorp companies I have been mystified why solvent and viable schemes have to continue to be run by an insolvent responsible entity under the control of liquidators who are also liquidators of other Timbercorp companies whose assets are used by the schemes and who are therefore in conflict in their duties to the creditors of those other companies and to the scheme members.



9. I have been informed by Michael Fernon of Clarendon Lawyers who act for the TGG and verily believe that a proposal may be put before this honourable court that the liquidators of Timbercorp Securities Limited may be given power on my behalf to surrender my subleases in the forestry schemes.
10. I strongly oppose this outcome. I am concerned that with the obvious conflicts of interest that the liquidator has to deal with that my interests may not be dealt with fairly if the subleases are surrendered.

**SWORN** by the David Sydney Butterfield )  
at Melbourne in the State of Victoria )  
this 17<sup>th</sup> day of August 2009 )

*Sam J. Butterfield*

Before me: .....

**ANGELA JANE GIDLEY**  
of Clarendon Lawyers Pty Ltd  
Level 17, Rialto North Tower  
525 Collins St, Melbourne Victoria 3000  
an Australian Legal Practitioner within the  
meaning of the *Legal Profession Act 2004*

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Defendants

**CERTIFICATE IDENTIFYING EXHIBIT**

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Date of document:	17 August 2009
Filed on behalf of:	Growers
Prepared by:	
Clarendon Lawyers	Tel: 03 8681 4400
Level 17, Rialto North Tower	Fax: 03 8681 4499
525 Collins Street	Solicitors Code: 101294
MELBOURNE VIC 3000	Ref: MJF:0900205

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This is the exhibit marked "DSB-1" now produced and shown to David Sydney Butterfield at the time of swearing his affidavit on 17 August 2009.

Before me: 

**ANGELA JANE GIDLEY**  
of Clarendon Lawyers Pty Ltd  
Level 17, Rialto North Tower  
525 Collins St, Melbourne Victoria 3000  
an Australian Legal Practitioner within the  
meaning of the *Legal Profession Act 2004*

**Exhibit "DSB-1"**

**Timbercorp Securities Limited (ACN 092 311 469) (in Liquidation) (TSL)  
as Responsible Entity of each Forestry Scheme  
Grower Consultation Meetings of Members of each Forestry Scheme**

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**NOTICE IS GIVEN** that concurrent Growers' Consultation Meetings for:

1997 Timbercorp Eucalypts Project (ARSN 112 309 234);  
1998 Timbercorp Eucalypts Project (ARSN 112 309 216);  
1999 Timbercorp Eucalypts Project (ARSN 085 827 872);  
1999 Timbercorp Eucalypts Double Rotation Project (Private Offer)  
2000 Timbercorp Eucalypts Project (ARSN 091 172 093);  
2001 Timbercorp Eucalypts Project (ARSN 094 392 000);  
2002 Timbercorp Eucalypts Project (ARSN 098 233 571);  
2003 Timbercorp Eucalypts Project (ARSN 103 183 446);  
2004 Timbercorp Eucalypts Project (ARSN 108 099 645);  
2004 Timbercorp Timberlot (Single Payment) Project (ARSN 108 336 830)  
2005 Timbercorp Timberlot (Single Payment) Project (ARSN 111 683 491) and  
2007/2008 Timbercorp Timberlot (Single Payment) Project (ARSN 122 510 981)

will be held in Victoria -

**Date:** Friday, 7 August 2009

**Registration:** 9:00am at AEDT

**Meeting commences:** 10.00 am at AEDT

**Location:** Etihad Stadium, Victory Room Level 1, Gate 9, Docklands Melbourne

**Directions** available at:

<http://www.etihadstadium.com.au/site/content/document/00000119-source.pdf>

**Webcast** starting from 10.00 am AEDT:

<http://www.brr.com.au/event/59044/popup=true>

## **Background of meetings**

The meetings to be held are NOT formal scheme meetings.

The purpose of the meetings is to provide growers with an update on key issues facing the Forestry Schemes and to put a non binding proposal to growers.

## **Agenda**

1. Independent Chairman's Address
2. Scheme Update and Key Issues
3. Statement on Independent Accountant's Expert Report
4. Statement on Independent Forestry Expert Report
5. Address from Grower Representatives
6. Sale/Recapitalisation Strategy and Update
7. Questions
8. Growers Non Binding Vote

## **Non Binding Proposal**

The following non-binding proposal shall be put to Growers in relation to the future of the Schemes:

"That the Liquidators' of TSL request the Federal Court of Australia to grant the Liquidators a power of sale to enable the implementation of the sale/recapitalization strategy."

## **Further Information**

The Independent Expert reports are anticipated to be added to the KordaMentha and Timbercorp websites at least 48 hours prior to the commencement of the grower consultation meetings.

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**1. Material accompanying this notice**

Accompanying this notice is a Proxy Appointment Form.

**2. Voting and required majority**

- (a) Given the need to ensure that all Growers have adequate information on which to make an informed decision in respect of the non binding proposal the Liquidators have retained an independent expert in both Accounting and Forestry to prepare reports for distribution to the Growers.
  - (b) It is anticipated that these independent reports will be made available to Growers via the KordaMentha and Timbercorp websites before the scheduled Grower meetings. We have also asked the independent experts to make themselves available to answer questions on their reports at the meetings.
  - (c) After having the benefit of reviewing the independent experts reports and hearing their presentations, Growers will be able to vote in the following ways;
    - (i) In person at the Grower Meetings. Growers will receive a voting form at the meetings; or
    - (ii) By appointing a proxy to attend the Growers Meetings and then make a decision on their behalf. The proxy appointment form is attached to this notice and the proxy will receive a voting form at the meetings; or
    - (iii) On-line via the KordaMentha website at [www.kordamentha.com](http://www.kordamentha.com) or Timbercorp website at [www.timbercorp.com.au](http://www.timbercorp.com.au) from 12 noon on Friday 7 August 2009 until 4pm Monday 10 August 2009. You will need your Timbercorp Grower ID in order to vote on-line.
  - (d) Growers will only be entitled to vote in one of these ways.
  - (e) The results of the vote will be published on both the KordaMentha and Timbercorp websites on Tuesday 11 August 2009.
  - (f) Each Grower has one vote per Woodlot or Timberlot.
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#### 4. Proxies and Representatives

- (a) All Growers who are entitled to attend and vote at the Forestry Growers Consultation Meeting may appoint a proxy for that purpose. Growers may not appoint multiple proxies.
  - (b) A proxy need not be a Grower of the Forestry Scheme.
  - (c) If you are a Grower in more than one Timbercorp Forestry Project and you wish to appoint a proxy, the proxy must be the same person for each Project.
  - (d) Completed Proxy Appointment Forms must be received by the Responsible Entity by no later than the **2:00pm on Thursday 6 August 2009**:
    - (i) at the office of KordaMentha – GPO Box 2985, Melbourne, Victoria, 3001; **or**
    - (ii) by fax to the office of KordaMentha – fax number (03) 8623 3399 (within Australia) and +61 3 8623 3399 (outside Australia); **or**
    - (iii) by email to [grower@kordamentha.com](mailto:grower@kordamentha.com).
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**TIMBERCORP SECURITIES LIMITED (ACN 092 311 469) (IN LIQUIDATION)**

Registered Office of Responsible Entity: Timbercorp Limited  
Level 8, 461 Bourke Street, Melbourne, VIC 3000

**PROXY APPOINTMENT FORM**

I/We \_\_\_\_\_

of \_\_\_\_\_

being a grower in one or more Timbercorp Forestry Schemes

hereby appoint/s \_\_\_\_\_

of \_\_\_\_\_

or failing such person the Chairperson of the meeting as my/our proxy to attend on my/our behalf in respect of all the woodlots and timberlots i/we hold in the Timbercorp Forestry Projects at the Forestry Grower Consultation Meetings to be held in Victoria at Etihad Stadium, Victory Room, Level 1, Gate 9, Docklands, Melbourne on Friday 7 August, 2009 commencing at 10.00 a.m. and at any adjournment thereof and to vote on my/our behalf as they so determine after having had the benefit of hearing from the Independent Accountant and Forestry Expert.

DATED this \_\_\_\_\_ day of \_\_\_\_\_ 2009.

\* Please sign below if individuals or joint members

.....  
Signature of Member

.....  
Signature of Member

\* Please sign below if a corporate member

EXECUTED by \_\_\_\_\_ )

\_\_\_\_\_  
Signature of director/sole director  
and sole secretary (delete as applicable)

\_\_\_\_\_  
Signature of director/company secretary  
Signature of sole director and sole secretary  
(delete as applicable)

\_\_\_\_\_  
Name of director/sole director  
and sole secretary (delete as applicable) (print)

\_\_\_\_\_  
Name of director/company secretary or sole  
director/sole secretary (delete as applicable) (print)



