

IN THE SUPREME COURT OF VICTORIA
AT MELBOURNE
COMMERCIAL & EQUITY DIVISION

No 8870 of 2009
and of 2009

List B

COMMERCIAL COURT

BETWEEN

TIMBERCORP LIMITED (IN LIQUIDATION)
ACN 055 185 067

First Plaintiff

and

TIMBERCORP SECURITIES LIMITED (IN LIQUIDATION)
ACN 092 311 469

Second Plaintiff

PLANTATION LAND LIMITED
ACN 090 443 333

Defendant

CERTIFICATE IDENTIFYING EXHIBIT

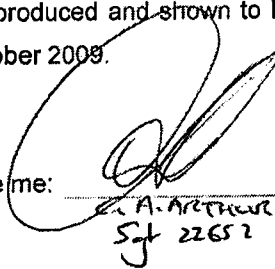
Date of document: 9 October 2009
Filed on behalf of: the Plaintiffs

Prepared by:
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(Leon Zwier - lzwier@abl.com.au)

This is the exhibit marked "KMH-1" now produced and shown to **KATHERINE MARIA HILL** at the time of swearing her affidavit on 9 October 2009.

Before me:



Hamilton Police Station
11 Thompson Street
Hamilton VIC 3000

Exhibit "KMH-1"
First Milltown Lease

MASTER LEASE
and
FOREST PROPERTY AGREEMENT
Timbercorp Eucalypts Project

BETWEEN

Owner: PLANTATION LAND LIMITED (ACN 090 443 333)

Owner's address: Level 5, 95 Queen Street, Melbourne 3000

AND

Lessee: TIMBERCORP SECURITIES LIMITED (ACN 092 311469)
of Level 5, 95 Queen Street, Melbourne

REFER TO SCHEDULES FOR DETAILS OF PROPERTIES

THIS LEASE is (in respect of each Leased Area) made on the date specified in the Schedule (as defined):

BETWEEN:

PLANTATION LAND LIMITED (A.C.N. 090 443 333) of 5th Floor, 95 Queen Street, Melbourne, Victoria

("Owner")

AND

TIMBERCORP SECURITIES LIMITED (A.C.N. 092 311 469) of 5th Floor, 95 Queen Street, Melbourne, Victoria

("Lessee")

RECITALS:

- A The Owner is the proprietor of each piece of land described in each Schedule to this lease (each referred to as a "Leased Area").
- B The Owner has agreed to lease each Leased Area described in each Schedule to the Lessee for the Annual Rent and Term described in that Schedule on the terms and conditions contained in this Lease.
- C This document is intended to operate as a master lease containing the terms and conditions that are to apply in respect of each Leased Area that the Lessor has agreed and will in future agree to lease to the Lessee from time to time. A new Schedule is to be prepared and annexed to this lease in respect of each new Leased Area and the parties must initial the Schedule.

OPERATIVE PROVISIONS:

1. DEFINITIONS AND INTERPRETATION

1.1. Definitions

In this Lease, the following words and expressions have the following meanings:

"Annual Rent" means the rent specified in item 2 of the Schedule as reviewed from time to time in accordance with clause 3.2.

"Carbon Credits" means any tradeable credits or rights associated with the trees resulting from the ability of the trees to absorb green house gases.

"Commencement Date" means the date set out in item 3 of the Schedule.

"Further Term" means the period for which this Lease may be extended pursuant to clause 7.1.

"GST" means GST within the meaning of A New Tax System (Goods and Services Tax) Act 1999 (as amended)

"Leased Area" means the land described in Item 1 of the Schedule.

"month" means calendar month.

"Plantation Crop" means the crop or crops of eucalyptus trees planted and tended or to be planted and tended on the Leased Area by the Lessee.

"Rent Payment Dates" means each 30 June, 30 September, 31 December and 31 March during the Term.

"Review Dates" means the dates referred to in clause 3.2.

"**Schedule**" means each several schedule attached at the back of this Lease from time to time.

"**Term**" means the term specified in Item 3 of the Schedule and, where the context permits, includes any extension or renewal of that term, but subject to any variation or termination of the Term in accordance with this Lease.

1.2. Interpretation

In this Lease unless the context otherwise requires:

- (a) the singular number includes the plural and vice versa and a word denoting one gender includes each of the other genders;
- (b) "person" includes a firm, a corporation and any incorporated body;
- (c) headings are for convenience only and do not affect the interpretation of this Lease;
- (d) a reference to an Act of Parliament shall be read as a reference to that Act as amended, modified or replaced from time to time and includes any regulations, by-laws, orders, ordinances or rules made under that Act;
- (e) a reference to a party to this Lease includes that party's successors and permitted assigns;
- (f) if any party comprises more than one person, the provisions of this Lease binds all of them jointly and each of them severally;
- (g) if the Lessee or any of the persons comprising the Lessee is a trustee, this Lease binds that person in its capacity as trustee and personally; and
- (h) where the word "include" or "includes" is used, it is to be read as if the expression "(but is not limited to)" immediately followed such word and where the word "including" is used, it is to be read as if the expression "(but not limited to)" immediately followed such word.

2. GRANT OF LEASE

The Owner leases to the Lessee the Leased Area for the Term for the purpose of growing, tending and harvesting a plantation or plantations of eucalyptus trees.

3. RENT

3.1. Payment of rent

The Lessee will pay to the Owner the Annual Rent in advance in equal successive quarterly instalments on or before the Rent Payment Dates with the first instalment of rent being due on the Commencement Date. If the Commencement Date is not a Rent Payment Date, the Lessee will pay proportionate instalments of rent on the Commencement Date (for the period from the Commencement Date until the next Rent Payment Date) and on the last Rent Payment Date.

3.2. Rent reviews

The Annual Rent will be reviewed on 30 June 2008 and each subsequent 30 June during the Term (as extended or renewed) ("Review Dates"). Subject to clause 7.2, the Annual Rent payable from any Review Date can not be less than the Annual Rent payable immediately prior to that Review Date and will be calculated in accordance with the following formula:

$$NR = R \times \frac{NCPI}{CPI}$$

Where:

NR is the Annual Rent payable from the relevant Review Date.

R is the Annual Rent payable immediately prior to the relevant Review Date.

The Lessee will be entitled to harvest the Plantation Crop and to remove and sell or otherwise deal in the products and any rights, benefits and credits derived from the Plantation Crop and to retain all income from such sale or dealing.

6.3. Access

The Lessee will be entitled to full and free access with or without vehicles to the Leased Area along any road or track on any neighbouring land in respect of which the Owner has similar rights and which gives access to the Leased Area from a public road.

6.4. Construct roads and tracks

The Lessee may with the prior written consent of the Owner (which consent must not be unreasonably withheld) construct and maintain such roads and tracks (including, if necessary, bridges and culverts) on the Leased Area or on any neighbouring land in respect of which the Owner has similar rights, as are reasonably required by the Lessee to provide access to the Leased Area from a public road.

6.5. Use of sand and gravel

For the purposes of constructing and maintaining the roads and tracks referred to in clause 6.4 the Lessee may take and use sand, gravel and other material available from a place approved by the Owner (which approval must not be unreasonably withheld) on either the Leased Area, or any neighbouring land in respect of which the Owner has similar rights, in such quantities as the Lessee reasonably requires. If the Lessee exercises its rights under this clause, the Lessee must rehabilitate the surface of the land to an appearance as near as possible to the appearance of the surface of the surrounding land.

6.6. Graze livestock

The Owner may graze livestock on the Leased Area at such times and under such conditions as are acceptable to the Lessee. If the Owner does not wish to graze livestock under those conditions, the Lessee may do so and retain any income derived therefrom.

6.7. Security

Subject to clause 4.8, the Lessee may at its own expense padlock any gates on roads or tracks entering the Leased Area and take such other measures to exclude trespassers as the Lessee reasonably considers appropriate.

6.8. Signs

The Lessee may at its own expense erect and maintain a sign or signs on the Leased Area detailing such matters as the Lessee reasonably considers appropriate.

7. EXTENSION OF TERM

7.1. Lessee may extend Term

The Lessee may by giving written notice to the Owner not less than three (3) months prior to the expiration of the Term, elect to extend the Term for the purpose of growing, tending and harvesting a further rotation of the Plantation Crop (whether by way of coppice or replant) in respect of the whole or any part of the Leased Area (as nominated by the Lessee in such notice) for the period commencing immediately upon expiry of the Term and expiring on the earliest of:

- (a) 12 years after the commencement of the Further Term; and
- (b) the date harvesting of the Plantation Crop is completed for the second time.

7.2. Extension for late harvesting

If the Lessee is prevented from:

- (a) harvesting the Plantation Crop;
- (b) removing from the Leased Area the products derived from the Plantation Crop; or
- (c) processing the products derived from the Plantation Crop,

due to an event of Force Majeure, but continues to pay instalments of Annual Rent, the Lessee may by giving written notice to the Owner elect to extend the Term (on the terms and conditions of this Lease) for a period of time equal to the duration of the event of Force Majeure.

7.3. Definition of Force Majeure

In clause 7.2, "Force Majeure" means:

- (a) Act of God, fire, explosion, earthquake, landslide, flood, wash-out, lightning, storm or tempest;
- (b) strikes, lockouts, stoppages, restraints of labour or other industrial disturbances;
- (c) war, acts of public enemies, riot, civil commotion or sabotage;
- (d) breakdown of or accident to plant, machinery or equipment (excluding a breakdown caused by any failure of the Lessee to maintain plant, machinery or equipment in a proper manner);
- (e) restraints, embargoes or other unforeseeable actions by the government of Victoria or the government of the Commonwealth of Australia; or
- (f) any Act of Parliament, regulation, by-law, order, ordinance or rule.

8. TERMINATION

8.1. Non payment of Annual Rent

The Owner may terminate this Lease with immediate effect if the Lessee is in arrears in respect of one quarterly instalment of Annual Rent and such arrears are not paid in full within one month after the Owner has served a written notice on the Lessee requesting payment.

8.2. Termination upon Harvest

- (a) Until such time as the Term is extended under clause 7.1, the Lessee may terminate this Lease at any time after completion of the first harvest of the Plantation Crop by giving not less than three (3) months prior notice in writing to the Owner.
- (b) In the event that the Term is extended under clause 7.1 for the purpose of growing, tending and harvesting a further rotation of the Plantation Crop, the Lessee may terminate this Lease at any time after completion of the second harvest of the Plantation Crop by giving not less than three (3) months prior notice in writing to the Owner.

8.3. Material breach

The Lessee may terminate this Lease with immediate effect if the Owner commits a material breach of this Lease and fails to remedy the breach or make reasonable compensation in money within one month after the Lessee has served a written notice on the Owner requiring the Owner to remedy the breach.

8.4. Effect of termination

Termination of the whole or any part of this Lease under this Part 8 will be without prejudice to any rights or obligations which may have accrued prior to the date of termination.

8.5. Limited right of termination

Except as expressly provided in this Part 8, neither Party is entitled to terminate or rescind this Lease and the Owner will is not entitled to re-enter the Leased Area or forfeit this Lease at any time prior to the expiration of the Term (as extended or renewed).

9. RIGHTS AND OBLIGATIONS ON EXPIRATION OR TERMINATION

9.1. Removal of stumps, roads and tracks

The Lessee acknowledges and agrees with the Owner that at the expiration or earlier termination of this Lease, the Lessee will not (subject to this lease) remove or authorise the removal of:

- (a) any stumps or debris from the Leased Area; or
- (b) any roads or tracks constructed on the Leased Area or on any neighbouring land under clause 6.4,

and that any crop which subsequently grows from the stumps will be the property of the Owner.

9.2. Removal of products and equipment

The Lessee will remove all plant, equipment, implements or other things brought onto the Leased Area by or on behalf of the Lessee during the Term within three (3) months after the expiration or earlier termination of this Lease.

9.3. Products and equipment left by the Lessee

Subject to Part 11, any plant, equipment, implements or other things brought onto the Leased Area by or on behalf of the Lessee, which are not removed by the Lessee within the three (3) month period referred to in clause 9.2 and any part of the Plantation Crop not harvested by the Lessee during the Term (as extended) will be the property of the Owner.

10. OWNERSHIP OF THE PLANTATION CROP AND CARBON CREDITS

10.1. Ownership

The Owner acknowledges and agrees with the Lessee that for so long as this Lease has not been terminated for non-payment of Annual Rent under clause 8.1 and the Lessee continues to pay the instalments of Annual Rent, the Plantation Crop and any Carbon Credits will be and will remain the property of the Lessee (or any other person or entity deriving title to the Plantation Crop through the Lessee) for the period referred to in clause 10.3.

10.2. Additional rights

The Owner hereby transfers and grants to the Lessee the following rights in addition to the other rights granted to the Lessee under this Lease:

- (a) to establish, tend and manage the Plantation Crop;
- (b) to enter upon the Leased Area with or without vehicles and, to the exclusion of the Owner and all other persons, to harvest the Plantation Crop and remove and sell the products and any rights, benefits and credits derived from the Plantation Crop; and
- (c) to exercise and enjoy such of the rights and powers granted to the Lessee under this Lease as may be necessary to enable the Lessee to exercise the rights referred to in paragraphs (a) and (b) above.

10.3. Independent proprietary interest

- (a) The rights and interests granted to the Lessee under clauses 10.1 and 10.2 constitute an independent and severable grant of a proprietary interest in the Leased Area by the Owner to the Lessee.
- (b) In the event that the Term or the leasehold interest of the Lessee under this Lease:
 - (i) ends; or
 - (ii) is terminated (other than by effluxion of time or other than by the operation of Parts 7 or 8); or
 - (iii) becomes void whether by reason of some act or default of the Owner or of the trustee in bankruptcy, receiver, receiver and manager, controller, administrator or liquidator of the Owner, or for any other reason whatsoever,the rights and interests granted to the Lessee under clauses 10.1 and 10.2, unless expressly surrendered by the Lessee, continue in full force and effect and may be exercised and enjoyed by the Lessee until the date on which the Term (as extended) would have ended by effluxion of time.

10.4. Forest Property Agreement

For the purposes of the Forestry Rights Act 1996, each clause of this document, including this clause 10 is deemed to be repeated and separately constitutes a forest property agreement in addition to a lease in respect of the Leased Area ("Forest Property Agreement").

11. DEALINGS

11.1. By the Owner

- (a) The Owner may sell, transfer, assign, lease, licence, charge or otherwise dispose of or part with possession of or encumber the whole or any part of the Leased Area or the Owner's interest in the Leased Area or agree to do the same PROVIDED THAT in respect of any such sale, transfer, assignment, lease or licence by the Owner, the Owner first arranges (at the Owner's cost) for the other party or parties to the transaction to enter into a deed of covenant with the Lessee under which such party or parties agree to comply with and be bound by the provisions of this Lease as if such party or parties were named in this Lease in place of the Owner.

- (b) Encumbrances

The Owner agrees with the Lessee that the Owner will not create any encumbrances over the Leased Area or any part thereof ranking in priority to the interests of the Lessee under this Lease.

11.2. By the Lessee

- (a) Grants of sub-lease or licence

The Lessee may:

- (i) sub-lease or grant a licence to occupy the whole or any part of the Leased Area; or
- (ii) assign, transfer or deal with all or part of the Plantation Crop and all products, rights, benefits and credits derived from the Plantation Crop or its rights under the Forest Property Agreement constituted under clause 10.4,

on such terms and conditions as the Lessee deems fit without having to obtain the consent of the Owner but no such sub-lease, licence or other dealing relieves the Lessee from any obligations under this Lease.

- (b) Assignment or transfer

Subject to clauses 11.2(a) and 11.2(c), the Lessee may with the consent of the Owner (which consent must not be unreasonably withheld) assign or transfer this Lease upon the Lessee arranging (at the Lessee's cost) for the assignee to enter into a deed of covenant with the Owner under which the assignee agrees to comply with and be bound by the provisions of this Lease as if the assignee were named in this Lease in the place of the Lessee.

- (c) Ceasing to be project manager

The Owner covenants and agrees that, notwithstanding anything to the contrary express or implied in this Lease, if for any reason whatsoever the Lessee ceases to be the project manager under the Project Deed constituting any of the Timbercorp Eucalypts Projects (as amended from time to time) ("the Project Deed") the Owner will consent to the assignment of this Lease to any person fulfilling the position of project manager under the Project Deed for the time being, subject to the proposed assignee assuming all of the obligations of the Lessee under this Lease.

12. MINING AND PETROLEUM ACTIVITIES

12.1. Definitions

In this part, the following expressions have the following meanings:

"Mining Activities" means all activities that may be carried out pursuant to a Mining Tenement.

"Mining Tenement" means any right or title available under the Mineral Resources Development Act 1990 and includes a permit to enter on private land.

"Petroleum Activities" means all activities that may be carried out pursuant to a Petroleum Title.

"Petroleum Title" means any right or title available under the Petroleum Act 1958 and includes a permit to enter on private land.

12.2. Application for Mining Tenement or Petroleum Title

If any person applies for a Mining Tenement or a Petroleum Title over any part of the Leased Area, then the following provisions apply:

- (a) The Owner must promptly notify the Lessee.
- (b) Neither the Owner nor the Lessee may consent to the application or do any act or thing that may assist the grant of the application without the prior written consent of the other Party.
- (c) The Lessee will be entitled to object to or resist the application or to restrict the scope of the rights to be obtained by virtue of the grant of the application, to the fullest extent permitted by law.
- (d) For the purpose of giving full effect to paragraph (c) above, the Owner must sign such documents as the Lessee may require, and the Lessee will be entitled to take such proceedings in the name of the Owner as the Lessee considers appropriate.
- (e) The Owner appoints the Lessee its lawful attorney to execute the documents and to do the things referred to in paragraph (d) above.

12.3. Grant of Mining Tenement or Petroleum Title

If a Mining Tenement or a Petroleum Title is granted over any part of the Leased Area, then the following provisions apply:

- (a) The Owner must keep the Lessee informed as to the Mining Activities or Petroleum Activities carried out upon the Leased Area, and must forward copies of all communications with the persons carrying out or proposing to carry out such activities.
- (b) The Owner must not consent to any use of water, felling of trees, stripping of bark or cutting of timber on the Leased Area.
- (c) If any compensation becomes payable by virtue of or in respect of Mining Activities or Petroleum Activities on the Leased Area, then the Owner and the Lessee will be entitled to compensation according to their respective interests in the area affected by those activities. The Owner and the Lessee will each be responsible for negotiating and recovering such compensation.

13. GENERAL

13.1. Warranties

The Owner represents and warrants that it is the registered proprietor of the Leased Area and that it is entitled to grant this Lease to the Lessee.

13.2. Costs

- (a) Each party must pay its own costs of and incidental to the preparation and service of any notice requiring the other party to remedy a default under this Lease.
- (b) The Lessee agrees to pay all stamp duty and registration fees payable on this Lease.

13.3. Caveats

- (a) The Lessee may lodge a caveat in respect of its interest under this Lease.
- (b) The Owner agrees to provide to the Lessee any plans and other details as are reasonably necessary to enable the Lessee to lodge a caveat.
- (c) Upon the expiration or earlier termination of this Lease, the Lessee must promptly withdraw at its own expense any caveat lodged under this clause.

13.4. Further assurances

Each party agrees to sign such documents and do all such acts, matters and things as may be reasonably required by the other party to give effect to this Lease.

13.5. Voiding insurances

Each party agrees that it will not do or permit or suffer to be done any act, matter or thing which it knows or reasonably should know may prejudice or render void or voidable any insurances in respect of the Leased Area or the Plantation Crop or result in the premiums for such insurances being increased.

13.6. Transfer of Land Act

To the extent permitted by law, all provisions implied in leases by the Transfer of Land Act 1958 are expressly excluded from this Lease.

13.7. Property Law Act

The provisions of section 144(1) of the Property Law Act 1958 do not apply to this lease.

13.8. No partnership

Nothing contained in this Lease constitutes any party the partner or agent of any other party and each party agrees that it will not hold itself out as the partner or agent of the other party. Subject to clause 11.2, this Lease is not for the benefit of any person not a party to this Lease and will not be deemed to give any right or remedy to any such person.

13.9. Waivers

No waiver by a party of any breach of this Lease will be deemed a waiver of any preceding or succeeding breach of this Lease.

13.10. Proper law

This Lease is governed by and is to be construed in accordance with the laws of the State of Victoria and the parties submit to the jurisdiction of the courts of that State.

13.11. Severability

If any provision or part of a provision of this Lease is or becomes void or unenforceable, that provision or part of a provision will be severed from this Lease to the intent that the remaining provisions of this Lease will continue in full force and effect.

13.12. Parties may act through agents

All rights granted to a party and all obligations imposed on a party under this Lease may be enjoyed or performed (as the case may be) by that party's employees, agents and contractors.

13.13. Goods and Services Tax

- (a) If any supply made by a party ('Supplier') to the other ('Recipient') under this Agreement is a taxable supply (according to GST law) so that the Supplier is liable to GST, the parties agree that the consideration payable for that taxable supply represents the value of the taxable supply (that is, the GST exclusive amount) and not the price for that taxable supply.
- (b) The price for any taxable supply made by the Supplier under this Agreement is the GST inclusive amount which is determined by increasing the consideration payable by an amount equal to the GST exclusive amount multiplied by the GST rate in force from time to time.
- (c) GST payable under paragraph (b) will be payable by the Recipient without deduction or set-off of any other amount, at the same time and on the same basis as the GST exclusive amount is payable by the Recipient.
- (d) The Supplier must, in respect of a taxable supply made by it under this Agreement, issue to the Recipient a valid tax invoice in the prescribed form for the amount of GST referable to that taxable supply, before the due date of payment for the taxable supply by the Recipient.

- (e) The Recipient's obligation to make payment in respect of a taxable supply under this Agreement is subject to the Supplier complying with its obligation in paragraph (d) above and the Recipient may defer payment of that amount until the Supplier has discharged its obligation to the Recipient's reasonable satisfaction.

14. NOTICES

All notices, consents, approvals and other communications required or authorised to be given under this Lease ("Notices") must be in writing and may be personally delivered or sent by pre-paid post or facsimile to the addressee's address specified in this Lease or such other address as the addressee may have notified from time to time. A notice will be deemed to be received:

- (a) if personally delivered, upon receipt;
- (b) if sent by pre-paid post within Australia, on the third day after posting;
- (c) if sent by pre-paid post outside Australia, on the seventh day after posting; and
- (d) if sent by facsimile, upon production of a successful transmission report by the sender's facsimile machine.

SCHEDULE

PINE HEATH TREEFARM

THIS LEASE is made on

9 December 2000

Item 1 Leased Area

The land described in Certificates of Title Volume 4711 Folio 073 being C.A.4, 4A, 4B, 4C, 5, 5A, 5B, Section C, Crown Grant Volume 5343 Folio 577 being C.A.13, Section C and Volume 10552 Folio 907 being Lot 2 on Plan of Subdivision No. 432814U, Parish of Myaring.

Item 2 Annual Rent:

The sum of one hundred and thirty-four thousand eight hundred and forty-three dollars and five cents (\$134,843.05) per annum and reduced from 24th November, 2000 to the sum of one hundred and thirty-two thousand three hundred and ninety dollars and five cents (\$132,390.05) for a total Plantation Crop area of 361 hectares fixed during the period from the Commencement Date to 30 June 2008. Thereafter the annual rent will be adjusted in accordance with clauses 3.2 and 3.3

PROVIDED THAT upon termination of this Lease, if Annual Rent has been paid in respect of any period after the date of termination, the Owner will immediately refund that amount to the Lessee and, if Annual Rent has not been paid in respect of any period up to and including the date of termination, the Lessee will immediately pay that amount to the Owner.

Item 3 Term

The period commencing on 9 December 2000 (the "Commencement Date") and expiring on the earliest of:

- (a) the date 12 years after the Commencement Date; and
- (b) the date harvesting of the Plantation Crop is completed for the first time.



Original Lease
Stamped with: \$10,755.60
Trn: 923220 04-JAN-2001
Stamp Duty Victoria, JMNO

①
\$ 10,755.60

SCHEDULE

LANGTON TREEFARM

THIS LEASE is made on 15 October 2000

Item 1 Leased Area

The land described in Certificates of Title Volume 9135 Folio 725 being CA.1A, 1B, 2A, 2B, 3A, 3B, Section 9 and Volume 9135 Folio 725 being CA.4A and 4B, Section 9, Parish of Weerangourt.

Item 2 Annual Rent:

The sum of one hundred and thirteen thousand three hundred and forty dollars and fourteen cents (\$113,340.14) per annum for a total Plantation Crop area of 351 hectares fixed during the period from the Commencement Date to 30 June 2008. Thereafter the annual rent will be adjusted in accordance with clauses 3.2 and 3.3

PROVIDED THAT upon termination of this Lease, if Annual Rent has been paid in respect of any period after the date of termination, the Owner will immediately refund that amount to the Lessee and, if Annual Rent has not been paid in respect of any period up to and including the date of termination, the Lessee will immediately pay that amount to the Owner.

Item 3 Term

The period commencing on 10 February 2000 (the "Commencement Date") and expiring on the earliest of:

- (a) the date 12 years after the Commencement Date; and
- (b) the date harvesting of the Plantation Crop is completed for the first time.

Original Lease
Stamped with: \$9,208.20
Trn: 923222 04-JAN-2011
Stamp Duty Victoria: JMD

9208.20

SCHEDULE

ETTRICK TREEFARM

THIS LEASE is made on

15 October 2000

Item 1 Leased Area

The land described in Certificate of Title Volume 6935 Folio 825 being CA.4A, Section 8, Parish of Condah.

Item 2 Annual Rent:

The sum of nine thousand and six dollars and seventy-three cents (\$9,006.73) per annum for a total Plantation Crop area of 21 hectares fixed during the period from the Commencement Date to 30 June 2008. Thereafter the annual rent will be adjusted in accordance with clauses 3.2 and 3.3

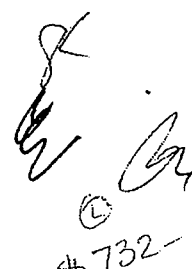
PROVIDED THAT upon termination of this Lease, if Annual Rent has been paid in respect of any period after the date of termination, the Owner will immediately refund that amount to the Lessee and, if Annual Rent has not been paid in respect of any period up to and including the date of termination, the Lessee will immediately pay that amount to the Owner.

Item 3 Term

The period commencing on 23 March 2000 (the "Commencement Date") and expiring on the earliest of:

- (a) the date 12 years after the Commencement Date; and
- (b) the date harvesting of the Plantation Crop is completed for the first time.

Original Lease
Stamped with \$732.00
Tm:923226 04-JAN-2001
Stamp Duty Victoria, JMNO


\$732-

SCHEDULE

CALVERT TREEFARM

THIS LEASE is made on 30th March 2001

Item 1 Leased Area

The land described in Certificate of Title Volume 9835 Folio 438 being CA.77 and 77 A, Section A, Parish of Coradjil.

Item 2 Annual Rent:

The sum of twenty-eight thousand nine hundred and thirty-eight dollars and forty-nine cents (\$28,938.49) per annum for a total Plantation Crop area of 46 hectares fixed during the period from the Commencement Date to 30 June 2008. Thereafter the annual rent will be adjusted in accordance with clauses 3.2 and 3.3

PROVIDED THAT upon termination of this Lease, if Annual Rent has been paid in respect of any period after the date of termination, the Owner will immediately refund that amount to the Lessee and, if Annual Rent has not been paid in respect of any period up to and including the date of termination, the Lessee will immediately pay that amount to the Owner.

Item 3 Term

The period commencing on 20 March, 2000 (the "Commencement Date") and expiring on the earliest of:

- (a) the date 12 years after the Commencement Date; and
- (b) the date harvesting of the Plantation Crop is completed for the first time.

Counterpart Lease
Stamped with: \$2,351.40
Trn: 985639 03-APR-2001
Stamp Duty Victoria, SWI

RG

SCHEDULE

CAULFIELD TREEFARM

THIS LEASE is made on 30th March 2001

Item 1 Leased Area

The land described in Certificate of Title Volume 8197 Folio 075 being part CA.36B, 36C and Certificates of Title Volume 9344 Folio 089 being CA.30 and Volume 8821 Folio 969 being CA.36C and Volume 8095 Folio 370 being CA.34 and Volume 8936 Folio 725 being CA.35, in the Parish of Kanawinka.

Item 2 Annual Rent:

The sum of seventy-three thousand nine hundred and ninety-four dollars and ninety-eight cents (\$73,994.98) per annum for a total Plantation Crop area of 124 hectares fixed during the period from the Commencement Date to 30 June 2008. Thereafter the annual rent will be adjusted in accordance with clauses 3.2 and 3.3

PROVIDED THAT upon termination of this Lease, if Annual Rent has been paid in respect of any period after the date of termination, the Owner will immediately refund that amount to the Lessee and, if Annual Rent has not been paid in respect of any period up to and including the date of termination, the Lessee will immediately pay that amount to the Owner.

Item 3 Term

The period commencing on 16 June, 2000 (the "Commencement Date") and expiring on the earliest of:

- (a) the date 12 years after the Commencement Date; and
- (b) the date harvesting of the Plantation Crop is completed for the first time.

Counterpart Lease
Signed with: 16-01-40
Lod: 955440 03-07-2001
Scrip Data Victoria- 5771

8.4

SCHEDULE

DOWN 2001 TREEFARM

THIS LEASE is made on 30th March 2001

Item 1 Leased Area

The land described in Certificate of Title Volume 7467 Folio 058 being Lot 2 on PS.432807R, Parish of Bessiebelle.

Item 2 Annual Rent:

The sum of twenty-nine thousand six hundred and sixty dollars and eighty-seven cents (\$29,660.87) per annum for a total Plantation Crop area of 74 hectares fixed during the period from the Commencement Date to 30 June 2008. Thereafter the annual rent will be adjusted in accordance with clauses 3.2 and 3.3

PROVIDED THAT upon termination of this Lease, if Annual Rent has been paid in respect of any period after the date of termination, the Owner will immediately refund that amount to the Lessee and, if Annual Rent has not been paid in respect of any period up to and including the date of termination, the Lessee will immediately pay that amount to the Owner.

Item 3 Term

The period commencing on 26 June, 2000 (the "Commencement Date") and expiring on the earliest of:

- (a) the date 12 years after the Commencement Date; and
- (b) the date harvesting of the Plantation Crop is completed for the first time.

Counterpart Lease
Stamped with: \$2,410.20
Tmt: 985641 03-APR-2001
Stamp Duty Victoria, \$201

8 C

SCHEDULE

FRIDAYS TREEFARM

THIS LEASE is made on

30th March 2001

Item 1 Leased Area

The land described in Certificate of Title Volume 8657 Folio 256 being Lot 1 on PS.65727, Parish of Bessie Belle.

Item 2 Annual Rent:

The sum of forty-four thousand one hundred and eighty dollars and forty-three cents (\$44,180.43) per annum for a total Plantation Crop area of 94 hectares fixed during the period from the Commencement Date to 30 June 2008. Thereafter the annual rent will be adjusted in accordance with clauses 3.2 and 3.3

PROVIDED THAT upon termination of this Lease, if Annual Rent has been paid in respect of any period after the date of termination, the Owner will immediately refund that amount to the Lessee and, if Annual Rent has not been paid in respect of any period up to and including the date of termination, the Lessee will immediately pay that amount to the Owner.

Item 3 Term

The period commencing on 30 March, 2000 (the "Commencement Date") and expiring on the earliest of:

- (a) the date 12 years after the Commencement Date; and
- (b) the date harvesting of the Plantation Crop is completed for the first time.

Counterpart Lease
Stamped with: \$3,589.60
Tm: 985642 03-APR-2001
Stamp Duty Victoria, \$711

EC

SCHEDULE

LINDSEY TREEFARM

THIS LEASE is made on 30th March 2001

Item 1 Leased Area

The land described in Crown Grant Volume 7430 Folio 585 being CA.9, Parish of Bessiebelle.

Item 2 Annual Rent:

The sum of fourteen thousand one hundred and ninety-two dollars and five cents (\$14,192.05) per annum for a total Plantation Crop area of 32 hectares fixed during the period from the Commencement Date to 30 June 2008. Thereafter the annual rent will be adjusted in accordance with clauses 3.2 and 3.3

PROVIDED THAT upon termination of this Lease, if Annual Rent has been paid in respect of any period after the date of termination, the Owner will immediately refund that amount to the Lessee and, if Annual Rent has not been paid in respect of any period up to and including the date of termination, the Lessee will immediately pay that amount to the Owner.

Item 3 Term

The period commencing on 31 January, 2000 (the "Commencement Date") and expiring on the earliest of:

- (a) the date 12 years after the Commencement Date; and
- (b) the date harvesting of the Plantation Crop is completed for the first time.

Counterpart Lease
Stamped with: \$1,153.20
Tms: 985643 03-APR-2001
Stamp Duty Victoria, STK1

LC

SCHEDULE

MERNA TREEFARM

THIS LEASE is made on 30th March 2001

Item 1 Leased Area

The land described in Certificate of Title Volume 10007 Folio 758 being Lot 2 on PS.3058715, Parish of Coradjil.

Item 2 Annual Rent:

The sum of sixty-one thousand two hundred and eighty-one dollars and seventy-four cents (\$61,281.74) per annum for a total Plantation Crop area of 87 hectares fixed during the period from the Commencement Date to 30 June 2008. Thereafter the annual rent will be adjusted in accordance with clauses 3.2 and 3.3.

PROVIDED THAT upon termination of this Lease, if Annual Rent has been paid in respect of any period after the date of termination, the Owner will immediately refund that amount to the Lessee and, if Annual Rent has not been paid in respect of any period up to and including the date of termination, the Lessee will immediately pay that amount to the Owner.

Item 3 Term

The period commencing on 21 March, 2000 (the "Commencement Date") and expiring on the earliest of:

- (a) the date 12 years after the Commencement Date; and
- (b) the date harvesting of the Plantation Crop is completed for the first time.

Counterpart Lease
Stamped with: 14, 776, 00
Tm: 985644 03-07-01
Stamp Duty Under 1000

VARIATION OF LEASE – MERNA 311 TREEFARM

DATED

10 march

2008

BETWEEN:

PLANTATION LAND LIMITED, A.C.N. 090 443 333
of Level 8, 461 Bourke Street, Melbourne

(the "Lessor")

AND

TIMBERCORP SECURITIES LIMITED, A.C.N. 092 311 469
of Level 8, 461 Bourke Street, Melbourne

(the "Lessee")

RECITALS:

- A. The Lessor granted a lease of the Leased Area to the Lessee with effect from the Commencement Date.
- B. Under the terms of the Lease, Annual Rent was payable from the Commencement Date.
- C. From the Commencement Date part of the Leased Area known as Merna 312 Treefarm comprising a net plantable area of 4 hectares was a company planting and not part of an MIS Project.
- D. The parties desire to amend the Lease to reflect the reduced Leased Area and to vary the Annual Rent payable by the Lessee under the terms of the Lease.

OPERATIVE PROVISIONS:

1. INTERPRETATION

1.1 Definitions

In this deed, unless the context otherwise requires, the following terms have the meanings set out opposite them and all definitions used in the Lease apply to this deed.

Annual Rental	means the annual rental set out in Item 2 of the Schedule;
Commencement Date	means the commencement date set out in the Lease;
Lease	means the lease entered into by the parties to this deed effective on the Commencement Date;
Leased Area	means the area set out in Item 1 of the Schedule;
Schedule	means the schedule to the Lease

1.2 Construction

In this deed, unless expressed or implied to the contrary:

- a) reference to this deed includes a variation or replacement of it;
- b) reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of it;
- c) singular includes the plural and vice versa;
- d) if a word is defined, cognate words have corresponding definitions;
- e) a reference to a person includes a firm, body corporate, unincorporated association or an authority;
- f) a reference to a person includes the person's legal personal representative and successors, and permitted substitutes (including persons taking by novation) and permitted assigns;
- g) a reference to a gender includes the other gender; and
- h) a reference to a clause, recital or schedule is to a clause, recital or schedule in or to this deed.

2. SUPPLEMENTAL

2.1 Full Force & Effect

This deed is supplemental to the Lease and, except as otherwise provided in this deed, the Lease remains in full force and effect.

3. COMPANY PLANTING

- 3.1** The Leased Area has been reduced from the Commencement Date by a company planting of trees comprising 4 hectares and known as Merna 312 Treefarm, which was not part of an MIS Project.

4. VARIATIONS TO THE LEASE

4.1 Leased Area

The Lease is varied by replacing the details of the Leased Area in Item 1 of the Schedule with the following:

"Part of the land described in Certificate of Title Volume 10007 Folio 758 being Lot 2 on PS3058715, Parish of Coradjil.

4.2 Rental

The Lease is varied by replacing the first paragraph in Item 2 of the Schedule, Annual Rent, with the following:

"The sum of –

- *Fifty-nine thousand seven hundred and six dollars and thirty-seven cents [\$59,706.37] per annum from the Commencement Date to 30 June, 2008;*
- *thereafter to be adjusted in accordance with clauses 3.2 and 3.3 of the Lease."*

4.3 Effective Date

The parties agree that the variations to the Lease set out in clauses 4.1 and 4.2 of this deed are effective from the Operative Date.

5. CONFIRMATION

5.1 Effective Date

The provisions of the Lease are hereby confirmed and ratified and will continue in full force and effective save to the extent only that the provisions of the Lease are necessarily inconsistent with the provisions of this deed.

Executed as a deed

**EXECUTED by PLANTATION
LAND LIMITED in accordance
with section 127 of the
Corporations Act:**

Signature

Mark Hamilton Pryn

Full Name

Secretary

Position Held

Signature

Sol Charles Rabinowicz

Full Name

Director

Position Held

**EXECUTED by TIMBERCORP
SECURITIES LIMITED in
accordance with section 127 of
the Corporations Act:**

Signature

Mark Hamilton Pryn

Full Name

Secretary

Position Held

Signature

Sol Charles Rabinowicz

Full Name

Director

Position Held

SCHEDULE

MILLTOWN TREEFARM

THIS LEASE is made on 30th March 2001

Item 1 Leased Area

The land described in Crown Grant Volume 8060 Folio 601 being CA.3, Section 8, Parish of Condah.

Item 2 Annual Rent:

The sum of one hundred and twenty-three thousand one hundred and ninety-six dollars and sixty-one cents (\$123,196.61) per annum for a total Plantation Crop area of 232 hectares fixed during the period from the Commencement Date to 30 June 2008. Thereafter the annual rent will be adjusted in accordance with clauses 3.2 and 3.3

PROVIDED THAT upon termination of this Lease, if Annual Rent has been paid in respect of any period after the date of termination, the Owner will immediately refund that amount to the Lessee and, if Annual Rent has not been paid in respect of any period up to and including the date of termination, the Lessee will immediately pay that amount to the Owner.

Item 3 Term

The period commencing on 6 April, 2000 (the "Commencement Date") and expiring on the earliest of:

- (a) the date 12 years after the Commencement Date; and
- (b) the date harvesting of the Plantation Crop is completed for the first time.

Counterpart Lease
Stamped with: \$10,000.00
Tm: 985645 03-APR-2001
Stamp Duty Victoria: SJK1

[Handwritten initials]

SCHEDULE

RALPH TREEFARM

THIS LEASE is made on 30th March 2001

Item 1 Leased Area

The land described in Crown Grant Volume 8504 Folio 611 being CA.24C and Volume 9329 Folio 981 and Volume 8454 Folio 621 being Lot 2 on PS.432813W and Volume 8560 Folio 319 being CA.9E and Volume 9329 Folio 981 being CA.21 and Volume 8083 Folio 298 being CA.9D and Volume 8753 Folio 442 being Lot 1 on PS.81887 and part CA.24 and Volume 8733 Folio 441 being CA.24A and B, Parish of Bessiebelle.

Item 2 Annual Rent:

The sum of fifty-nine thousand one hundred and ninety dollars and fifty-one cents (\$59,190.51) per annum for a total Plantation Crop area of 147 hectares fixed during the period from the Commencement Date to 30 June 2008. Thereafter the annual rent will be adjusted in accordance with clauses 3.2 and 3.3

PROVIDED THAT upon termination of this Lease, if Annual Rent has been paid in respect of any period after the date of termination, the Owner will immediately refund that amount to the Lessee and, if Annual Rent has not been paid in respect of any period up to and including the date of termination, the Lessee will immediately pay that amount to the Owner.

Item 3 Term

The period commencing on 19 September, 2000 (the "Commencement Date") and expiring on the earliest of:

- (a) the date 12 years after the Commencement Date; and
- (b) the date harvesting of the Plantation Crop is completed for the first time.

Counterpart Lease
Stamped with: \$4,809.00
Tm: 982646 03-APR-2001
State Duty Victoria: \$71

EL 21

SCHEDULE

STEPHENS 2001 TREEFARM

THIS LEASE is made on

30th March 2001

Item 1 Leased Area

The land described in Certificate of Titles Volume 10546 Folio 731 being Lot 2 on PS.437478G and Volume 10546 Folio 732 being Lot 3 on PS.437478G, Parish of Branxholme.

Item 2 Annual Rent:

The sum of forty-four thousand three hundred and sixteen dollars and forty-two cents (\$44,316.42) per annum for a total Plantation Crop area of 98 hectares fixed during the period from the Commencement Date to 30 June 2008. Thereafter the annual rent will be adjusted in accordance with clauses 3.2 and 3.3

PROVIDED THAT upon termination of this Lease, if Annual Rent has been paid in respect of any period after the date of termination, the Owner will immediately refund that amount to the Lessee and, if Annual Rent has not been paid in respect of any period up to and including the date of termination, the Lessee will immediately pay that amount to the Owner.

Item 3 Term

The period commencing on 8 October, 2000 (the "Commencement Date") and expiring on the earliest of:

- (a) the date 12 years after the Commencement Date; and
- (b) the date harvesting of the Plantation Crop is completed for the first time.

Original Lease
Stamped with \$43,500.00
Tm: 080647-01-APR-2001
Stamp Duty Victoria- SJK1

Counterpart Lease
Stamped with \$43,500.00
Tm: 080647-01-APR-2001
Stamp Duty Victoria- SJK1

20

SCHEDULE

STRIBLING TREEFARM

THIS LEASE is made on

30th March 2001

Item 1 Leased Area

The land described in Certificate of Title Volume 10472 Folio 172 being Lot 2 on PS.425958J, Parish of Murroon.

Item 2 Annual Rent:

The sum of twenty-two thousand two hundred and sixty-six dollars and twenty-three cents (\$22,266.23) per annum for a total Plantation Crop area of 51 hectares fixed during the period from the Commencement Date to 30 June 2008. Thereafter the annual rent will be adjusted in accordance with clauses 3.2 and 3.3

PROVIDED THAT upon termination of this Lease, if Annual Rent has been paid in respect of any period after the date of termination, the Owner will immediately refund that amount to the Lessee and, if Annual Rent has not been paid in respect of any period up to and including the date of termination, the Lessee will immediately pay that amount to the Owner.

Item 3 Term

The period commencing on 20 March, 2000 (the "Commencement Date") and expiring on the earliest of:

- (a) the date 12 years after the Commencement Date; and
- (b) the date harvesting of the Plantation Crop is completed for the first time.

Counterpart Lease
Stamped with: 13-000-00
Trp: 988443 03-APR-2001
Stamps Duty Victoria: 5761

Counterpart Lease
Stamped with: 13-000-00
Trp: 988443 03-APR-2001
Stamps Duty Victoria: 5761

g. m.

SCHEDULE

ZUM PARK TREEFARM

THIS LEASE is made on

30th March 2001

Item 1 Leased Area

The land described in Certificate of Title Volume 9602 Folio 355 being CA.3, Section 13, Parish of Condah.

Item 2 Annual Rent:

The sum of seventeen thousand two hundred and fourteen dollars and twenty-seven cents (\$17,214.27) per annum for a total Plantation Crop area of 34 hectares fixed during the period from the Commencement Date to 30 June 2008. Thereafter the annual rent will be adjusted in accordance with clauses 3.2 and 3.3

PROVIDED THAT upon termination of this Lease, if Annual Rent has been paid in respect of any period after the date of termination, the Owner will immediately refund that amount to the Lessee and, if Annual Rent has not been paid in respect of any period up to and including the date of termination, the Lessee will immediately pay that amount to the Owner.

Item 3 Term

The period commencing on 6 April, 2000 (the "Commencement Date") and expiring on the earliest of:

- (a) the date 12 years after the Commencement Date; and
- (b) the date harvesting of the Plantation Crop is completed for the first time.

Counterpart Lease
Stamped with \$1,338.80
TAX \$6549 03-APR-2001
Stamp Duty Victoria \$301

EC

EXECUTED as an agreement.

THE COMMON SEAL of PLANATATION
LAND LIMITED is affixed in accordance
with its Constitution in the presence of:

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)
)



Director

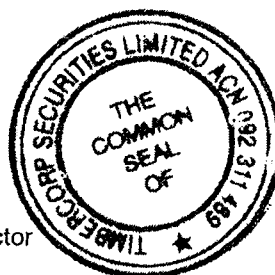
Director/Secretary

THE COMMON SEAL of TIMBERCORP
SECURITIES LIMITED
is affixed in accordance with
its Constitution in the presence of:

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)
)
)



Director

Director/Secretary