



KordaMentha

4 June 2009

Email to Growers

Dear Grower

We are writing to provide you with a brief update on the administration of the companies in the Timbercorp Group (All Administrators Appointed).

After conducting an assessment of the olive and almond managed investment schemes ("the Schemes"), it is apparent that the Schemes require a significant cash contribution of more than \$300 million to meet operating requirements in relation to management and harvesting of the 2010 crop.

Timbercorp Securities Limited (Administrators Appointed) ("TSL") is hopelessly insolvent and is unable to contribute money for this purpose or to operate the Schemes in the long term. Previously, TSL and other companies in the Timbercorp Group contributed funding to the Schemes to meet those operating costs.

Having regard to the current financial position of TSL, the insolvency of each of the companies in the Timbercorp Group and the cash requirements for 2010 in respect of the Schemes, we do not believe it is in the best interests of Grower Investors for TSL to send invoices for the estimated operational and capital expenditure.

As such, we will apply to the Supreme Court to seek directions under the Corporations Act as to whether the Administrators of TSL should apply to the Court to wind up the Schemes. We take this step with some reluctance but we believe the Court is the fairest forum in which interested parties, including Grower Investors, can put their views.

We will consider all bona fide alternative proposals to replace TSL as responsible entity for any one or more of the Schemes, if such proposals are in the best interests of Grower Investors. We will also make all necessary information available to bona fide parties who wish to make such proposals.

The findings of the Court will help determine the future direction of the olive and almond Schemes. The timing of the application to Court is important as lease and management contracts require payments to be made at or after the end of June. TSL has no capacity to make such payments.

As part of this process, Grower Investors will be able to access information provided to the Court (and documents filed with the Court) via www.timbercorp.com.au, www.kordamentha.com and www.abl.com.au, and we will continue to provide you with updates on the progress of the administration, including the application to the Court.

Unfortunately, after the meetings of the Timbercorp Group committees of creditors held yesterday, the media was made aware that we were considering making an application to the Supreme Court of Victoria in relation to the almond and olive Schemes. We would have preferred to have informed Grower Investors directly today (rather than have you read about it first in the papers).

**Corporate Recovery Services
Turnaround & Restructuring Services
Real Estate Advisory
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We are continuing to analyse forestry operations and other horticulture operations and expect to be in a position to provide Grower Investors with more information on these projects in the near future.

Yours sincerely

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

MARK KORDA
Administrator