

2003

2003 Pro forma 1.0

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 LIMITED (A.C.N. 055 185 067)
of Level 5, 95 Queen Street, Melbourne

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

BETWEEN:

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

("Owner")

AND

TIMBERCORP LIMITED (A.C.N. 055 185 067) 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.

NCPI is the Consumer Price Index (All Groups) for the Weighted Average of Eight Capital Cities as last published by the Australian Bureau of Statistics prior to the relevant Review Date.

CPI is the Consumer Price Index (All Groups) for the Weighted Average of Eight Capital Cities as last published by the Australian Bureau of Statistics prior to the immediately preceding Review Date or, in the case of the first review, as last published by the Australian Bureau of Statistics prior to the date of execution of this Lease.

3.3. Discontinuation or suspension of CPI

If the Consumer Price Index (All Groups) for the Weighted Average of Eight Capital Cities is discontinued or suspended, the method of review set out in clause 3.2 will cease to apply and will be replaced with such alternative method as is mutually agreed between the Owner and the Lessee or, if the parties fail to agree, such alternative method, as in the opinion of an expert appointed by the President for the time being of the Institute of Chartered Accountants (Victorian Division) at the request of either party most, closely reflects changes in the cost of living for the Weighted Average of Eight Capital Cities. The cost of any expert determination carried out under this clause will be borne equally between the parties.

4. THE LESSEE'S OBLIGATIONS

The Lessee agrees with the Owner that the Lessee will at the Lessee's expense during the Term:

4.1. Permitted use

Use the Leased Area for the purpose of growing, tending and harvesting a plantation or plantations of eucalyptus trees and deal with the Plantation Crop as the Lessee sees fit.

4.2. Forestry practice

Comply with sound silvicultural and environmental practices adopted within the forestry industry.

4.3. Comply with laws

Comply with all laws, by-laws and regulations relating to the use and occupancy of the Leased Area.

4.4. Repairs

Promptly repair any damage caused by the Lessee to any roads, tracks or fences on the Leased Area.

4.5. Chemicals and dangerous substances

Not store or use any chemical, inflammable, noxious or dangerous substances in a manner which is likely to result in damage to vegetation, livestock, crops or water reserves on any neighbouring land owned or occupied by the Owner.

4.6. Native vegetation

Not cut down, damage or destroy any native vegetation on the Leased Area without the prior written consent of the Owner.

4.7. Buildings

Not erect any buildings, structures or dwellings or use any caravans on the Leased Area for accommodation purposes.

4.8. Permit Owner to enter

Permit the Owner to enter upon the Leased Area from time to time with or without equipment for the purpose of performing the Owner's obligations under this Lease and for accessing neighbouring land owned or occupied by the Owner.

4.9. Indemnity

Indemnify the Owner from and against all claims, demands, proceedings, judgments, damages, costs and losses of any nature which the Owner may suffer or incur in connection with the loss of life and/or personal injury to any person or damage to any property wheresoever occurring arising from an occurrence at the Leased Area or the use by the Lessee of the Leased Area during the Term except where the loss of life and/or personal injury or damage to property is the result of an act of default or neglect by the Owner or the Owner's invitees.

5. OWNER'S OBLIGATIONS

The Owner agrees with the Lessee that the Owner will at the Owner's expense during the Term:

(a) Quiet enjoyment

Allow the Lessee to peaceably and quietly hold and enjoy the Leased Area without any interruption by the Owner or any person claiming through or under the Owner.

(b) Rates and taxes

Duly and punctually pay or cause to be paid all rates, taxes and other charges levied by any government or other authority in respect of the Leased Area.

(c) Comply with laws

Comply with all laws, by-laws and regulations relating to the use and occupancy of any neighbouring land occupied by the Owner.

(d) Comply with mortgages, etc.

Comply with the provisions of all mortgages, leases, licenses and charges relating to the Leased Area.

(e) Chemicals and dangerous substances

Not store or use any chemical, inflammable, noxious or dangerous substances in a manner which is likely to result in damage to the Plantation Crop.

(f) Control of fires

Take all necessary measures to ensure that any fires which may occur or be lit on any neighbouring land owned or occupied by the Owner are properly controlled and supervised.

(g) Lighting of fires

Not without the prior written approval of the Lessee light any fires on the Leased Area.

(h) Notification of fires

Where reasonably practical, promptly notify the Lessee or its named contractor (if any) named on the entrance to the Leased Area of:

(i) any fire in the vicinity of the Leased Area which may threaten the Plantation Crop; and

(ii) any notice or notification received by the Owner from the owner or occupier of any adjoining land pursuant to any Act of Parliament or regulation relating to bush fires.

6. THE LESSEE'S RIGHTS

6.1. General

The Owner hereby grants to the Lessee the rights set out in this part to be exercised by the Lessee during the Term.

6.2. Harvest

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

BEVERLEY TREEFARM

THIS LEASE is made on 31 May, 2000

Counterpart Lease
Stamped with: 4490.20
Trn: 831671 06-SEP-2000
Stamp Duty Victoria, LACO

Item 1 Leased Area

The land described in Certificate of Title Volume 9675 Folio 749 being Crown Allotment 5, Section 13, Parish of Condah.

Item 2 Annual Rent:

The sum of six thousand and twenty-seven dollars and sixty-one cents (\$6,027.61) per annum for a total Plantation Crop area of 16 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 27 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.

[Handwritten signature]

SCHEDULE

BROERS TREEFARM

THIS LEASE is made on **31 May, 2000**

Counterpart Lease
Stamped with: \$4,874.40
Tm: 841043 06-SEP-2000
Stamp Duty Victoria, LACO

Item 1 Leased Area

The land described in Certificate of Title Volume 8500 Folio 595 being part of CA.11, Parish of Wategat.

Item 2 Annual Rent:

The sum of fifty-nine thousand nine hundred and ninety-eight dollars and fifty-nine cents (\$59,998.59) per annum for a total Plantation Crop area of 143 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 May, 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.

[Handwritten signature]

VARIATION OF LEASE – BROERS 51 AND BROERS 52 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 LIMITED, A.C.N. 055 185 067
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. The Leased Area has been subdivided.
- 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;
Operative Date	means the 4th day of April 2001, [the date of settlement of subdivided area];
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. SUBDIVISION OF LEASED AREA

3.1 Subdivision

The Leased Area has been subdivided and settlement of the sale of the subdivided land occurred on the Operative Date.

4. VARIATIONS TO THE LEASE

4.1 Leased Area

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

"The land described in Certificate of Title Volume 10551 Folio 342 being Lot 2 on PS437476L, Parish of Wategat.

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 nine hundred and ninety-eight dollars and fifty-nine cents [\$59,998.59] per annum from the Commencement Date up to but excluding the Operative Date;*
- the sum of fifty-two thousand four hundred and seventy-seven dollars and seventy-three cents [\$52,477.73] per annum from the Operative Date to 30 June 2008; and*
- 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 effect 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

8
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

BURNS TREEFARM

Counterpart Lease
Stamped with: \$7,446.60
Tm: 841043 06-SEP-2000
Stamp Duty Victoria, LACO

THIS LEASE is made on 31 May, 2000

Item 1 Leased Area

The land described in Crown Grants Volume 3705 Folio 916 and Volume 3153 Folio 442 and CA. 98 and 99, Parish of Broadwater

Item 2 Annual Rent:

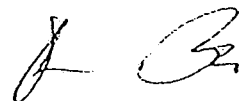
The sum of ninety-one thousand six hundred and fifty-six dollars and fourteen cents (\$91,656.14) per annum for a total Plantation Crop area of 217 hectares fixed during the period from the Commencement Date to 30 June 2008. Thereafter the annual rent will be adjusted in accordance with clauses 3.2 and 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.



SCHEDULE

CHICK TREEFARM

THIS LEASE is made on 31 May, 2000

Counterpart Lease
Stamped with: \$1,221.50
Tm: 941050 06-SEP-2000
Stamp Duty Victoria, LACO

Item 1 Leased Area

The land described in Certificate of Title Volume 9888 Folio 922 being Lot 1 on PS.216628N, Parish of Bunnugal

Item 2 Annual Rent:

The sum of fifteen thousand and thirty-six dollars and nineteen (\$15,036.19) per annum for a total Plantation Crop area of 65 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.



SCHEDULE

COOK TREEFARM

THIS LEASE is made on 31 May, 2000

Item 1 Leased Area

The land described in Certificate of Title Volume 9031 Folio 941 being CA 1, 2 and part of 3, Section A, Parish of Killara

Counterpart Lease

Stamped with: \$2,917.50

Trn: 841051 06-SEP-2000

Stamp Date: 11/01/2000

Item 2 Annual Rent:

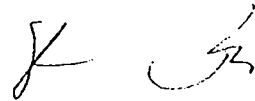
The sum of thirty-five thousand nine hundred and thirteen dollars and eighteen cents (\$35,913.18) per annum for a total Plantation Crop area of 84 hectares fixed during the period from the Commencement Date to 30 June 2008. Thereafter the annual rent will be adjusted in accordance with clauses 3.2 and 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 5 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.



SCHEDULE

DOZERLEA TREEFARM

THIS LEASE is made on 31 May, 2000

Counterpart Lease
Stamped with: \$4,059.00
Tm: 841052 06-SEP-2000
Stamp Duty Victoria, LACO

Item 1 Leased Area

The land described in Certificate of Title Volume 8761 Folio 835 being CA.60, Parish of Bessie Belle

Item 2 Annual Rent:

The sum of forty-nine thousand nine hundred and sixty-two dollars and thirty-one cents (\$49,962.31) per annum for a total Plantation Crop area of 133 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 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.

f *JK*

SCHEDULE

FULLERTONS TREEFARM

THIS LEASE is made on 31 May, 2000

Counterpart Lease
Stamped on 18-05-2000
Tm: 241054 06-SEP-2000
Stamp Duty Victoria, LACO

Item 1 Leased Area

The land described in Crown Grant Volume 10340 Folio 676 being CA.12, Parish of Mageppa.

Item 2 Annual Rent:

The sum of forty-four thousand five hundred and twenty-two dollars and eighty-five cents (\$44,522.85) per annum for a total Plantation Crop area of 157 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 18 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.

[Handwritten signatures]

VARIATION OF LEASE – FULLERTONS 518 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 LIMITED, A.C.N. 055 185 067
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. The Leased Area has been subdivided twice.
- 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;
First Operative Date	means the 23rd day of January 2001, [the date of settlement of the first subdivided area];

Second means the 16th day of May 2001,
Operative Date [the date of settlement of the second subdivided area];

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. SUBDIVISION OF LEASED AREA

3.1 Subdivision

The Leased Area has been subdivided twice and settlement of the sales of the subdivided land occurred on the First Operative Date and on the Second Operative Date respectively.

4. VARIATIONS TO THE LEASE

4.1 Leased Area

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

"The land described in Certificate of Title Volume 10580 Folio 317 being Lot 2 on PS441106X in the Parish of Mageppa.

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 –

- *Forty-four thousand five hundred and twenty-two dollars and eighty-five cents [\$44,522.85] per annum from the Commencement Date up to but excluding the First Operative Date;*
- *the sum of forty-one thousand four hundred and forty-four dollars and seventy-two cents [\$41,444.72] per annum from the First Operative Date up to but excluding the Second Operative Date; and*
- *the sum of thirty-five thousand nine hundred and nineteen dollars and ten cents [\$35,919.10] per annum from the Second Operative Date to the 30 June, 2008; and*
- *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

GROSVENOR TREEFARM

THIS LEASE is made on 31 May, 2000

Counterpart Lease
Stamped with: \$9,371.40
Trn: 841055 06-SEP-2000
Stamp Duty Victoria, LACO

Item 1 Leased Area

The land described in Certificate of Title Volume 10149 Folio 128, being CA.24, Section A, Parish of Bogalara, Volume 10149 Folio 131 being part of CA.25, Parish of Bogalara and Crown Grant Volume 9568 Folio 993 being CA.28, 28A, 28B and 28C, in Section A, Parish of Bogalara.

Item 2 Annual Rent:

The sum of one hundred and fifteen thousand three hundred and fifty-two dollars and seventy-five (\$115,352.75) per annum for a total Plantation Crop area of 337 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 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.



SCHEDULE

JENSZ TREEFARM

Counterpart Lease
Stamped with: \$6,237.00
Trn: 941056 06-SEP-2000
Stamp Duty Victoria, LACO

THIS LEASE is made on 31 May, 2000

Item 1 Leased Area

The land described in Certificates of Title Volume 9221 Folio 770 being CA:84 and Volume 8607 Folio 544 being Lot 2 on PS.65727, Parish of Bessiebelle.

Item 2 Annual Rent:

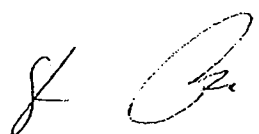
The sum of seventy-six thousand seven hundred and sixty-eight dollars and sixty cents (\$76,768.60) per annum for a total Plantation Crop area of 185 hectares fixed during the period from the Commencement Date to 30 June 2008. Thereafter the annual rent will be adjusted in accordance with clauses 3.2 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 25 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.



SCHEDULE

LAURIE TREEFARM

THIS LEASE is made on 31 May, 2000

Counterpart Lease
Stamped with: \$7,916.40
Tm: 841057 06-SEP-2000
Stamp Duty Victoria, LACO

Item 1 Leased Area

The land described in Certificates of Title Volume 8498 Folio 184 being CA.66, and Volume 4848 Folio 520 being CA.59A, and Crown Grant Volume 8217 Folio 206 being CA.51, 54, Part 59A and 66, Parish of Mageppa.

Item 2 Annual Rent:

The sum of ninety-seven thousand four hundred and forty dollars and forty-one cents (\$97,440.41) per annum for a total Plantation Crop area of 381 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 14 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.

[Handwritten signatures]

VARIATION OF LEASE – LAURIE 272 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 LIMITED, A.C.N. 055 185 067
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. The Leased Area has been subdivided.
- 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;

Operative Date means the 30th day of September 2000,
[the date of settlement of subdivided area];

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. SUBDIVISION OF LEASED AREA

3.1 Subdivision

The Leased Area has been subdivided and settlement of the sale of the subdivided land occurred on the Operative Date.

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:

"The land described in Certificates of Title Volume 8498 Folio 184 being CA.66 and Volume 4848 Folio 520 being CA.59A and Crown Grant Volume 8217 Folio 206 being CA64 in the Parish of Mageppa.

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 –

- Ninety-seven thousand four hundred and forty dollars and forty-one cents [\$97, 440.41] per annum from the Commencement Date up to but excluding the Operative Date;*
- the sum of ninety-three thousand five hundred and sixty-two dollars and six cents [\$93,562.06] per annum from the Operative Date to 30 June 2008; and*
- thereafter to be adjusted in accordance with clauses 3.2 and 3.3 of the Lease. "*

4.3 Effective Date

The parties agreed 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

MAXWELL TREEFARM

THIS LEASE is made on 31 May, 2000

Counterpart Lease
Stamped with: \$792.50
Trmt 841053 06-SEP-2000
Stamp Duty Victoria, LACO

Item 1 Leased Area

The land described in Certificate of Title Volume 9558 Folio 641 being part of CA 45, Parish of Dunmore.

Item 2 Annual Rent:

The sum of nine thousand seven hundred and fifty-three dollars and twenty cents (\$9,753.20) 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 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.

SCHEDULE

Counterpart Lease

Stamped with: \$3,115.29

MYONOAGH TREEFARM: 909901 11-DEC-2000

Stamp Duty Victoria, JRM

THIS LEASE is made on 30 September 2000

Item 1 Leased Area

The land described in Certificate of Title Volume 10533 Folio 780 being Lot 1 on Plan of Subdivision No. PS430608J.

Item 2 Annual Rent:

The sum of thirty-eight thousand three hundred and forty-six dollars and sixty-seven cents (\$38,346.67) per annum for a total Plantation Crop area of 88 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 August, 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.

NB. Formerly, a temporary head lease operated in respect of the property. The temporary lease expired on settlement of the contract of sale by which TLL purchased the property.

SCHEDULE

NIGEL TREEFARM

THIS LEASE is made on 31 May, 2000

Item 1 Leased Area

The land described in Certificate of Title Volume 10218 Folio 006 being CA. Subs. A & B of CA. 5 & 6, and parts of CA. 3 & 4, Section 34, Parish of Yulecart.

Item 2 Annual Rent:

The sum of sixty-four thousand and twelve dollars and sixty-three cents (\$64,012.63) 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 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.

SCHEDULE

RUTTER TREEFARM

THIS LEASE is made on 31 May, 2000

Counterpart Lease
Stamped with: \$17,159.40
Trn: 841060 06-SEP-2000
Stamp Duty Victoria, LACO

Item 1 Leased Area

The land described in Certificates of Title Volume 5848 Folio 443 being CA.3 & 8, Sections 9 & 20 and Volume 7375 Folio 955 being CA.7B, Section 20 in the Parish of Branxholme, and Volume 6138 Folio 415 being CA.7, Section 9, Parish of Byambynee, Volume 9525 Folio 359 in PofC.155942, Parish of Byambynee, Volume 9082 Folio 274 being Lot 2 on PS.113600, CA.8A, Section 20, Parish of Branxholme, Volume 9082 Folio 273 being CA.3, 5, 7 & 8, Section 10, Parish of Byambynee, Volume 9082 Folio 274 being CA.4, Part 3, 5, Part Sub. A of CA.6, Section 10, Parish of Byambynee, Volume 9525 Folio 994 being Lot 1 on PS.143524, Parish of Byambynee, Volume 7375 Folio 953 being CA.7A, Section 20, Parish of Branxholme.

Item 2 Annual Rent:

The sum of two hundred and eleven thousand two hundred and twelve dollars and seventy-seven cents (\$211,212.77) per annum for a total Plantation Crop area of 196 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 28 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.

JK Bz

VARIATION OF LEASE – RUTTER 389 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 LIMITED, A.C.N. 055 185 067
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 Inverary 238 Treefarm comprising a net plantable area of 69 hectares was a company planting and not part of an MIS Project.
- D. The Leased Area has been subdivided twice.
- E. 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;

First Operative Date means the 19th day of July 2001,
[the date of settlement of the first subdivided area];

Second Operative Date means the 21st day of June 2002,
[the date of settlement of the second subdivided area];

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 69 hectares and known as Inverary 238 Treefarm, which was not part of an MIS Project.

4. SUBDIVISION OF LEASED AREA

4.1 Subdivision

The Leased Area has been subdivided twice and settlement of the sales of the subdivided land occurred on the First Operative Date and on the Second Operative Date respectively.

5. VARIATIONS TO THE LEASE

5.1 Leased Area

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

"The land described in Certificates of Title Volume 10561 Folio 278 being Lot 1 on PS437477J and Volume 10561 Folio 280 being Lot 3 on PS437477J in the Parish of Braxholme and part of the land described in Volume 9082 Folio 273 being CA3, 5, 7 and 8, Section 10 and Volume 10593 Folio 523 being Lot 2 on PS446170L and Volume 10561 Folio 283 being Lot 6 on PS437477J in the Parish of Byambynee.

5.2 Rental

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

"The sum of –

- One hundred and eighty-four thousand eight hundred and forty-two dollars and thirty cents [\$184,842.30] per annum from the Commencement Date up to but excluding the First Operative Date;*
- the sum of one hundred and fifty-two thousand and thirty-four dollars and ninety-five cents [\$152,034.95] per annum from the First Operative Date up to but excluding the Second Operative Date; and*
- the sum of one hundred and forty-five dollars three hundred and seventy-six dollars and twenty-one cents [\$145,376.21] per annum from the Second Operative Date to the 30 June, 2008; and*
- thereafter to be adjusted in accordance with clauses 3.2 and 3.3 of the Lease. "*

5.3 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.

6. CONFIRMATION

6.1 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

SCOTTIES TREEFARM

THIS LEASE is made on 31 May, 2000

Counterpart Lease
Stamped with: \$4,427.40
Trn: 841061 06-SEP-2000
Stamp Duty Victoria, LACO

Item 1 Leased Area

The land described in Certificate of Title Volume 6993 Folio 538 being CA.52 and 54, Parish of Mageppa.

Item 2 Annual Rent:

The sum of fifty-four thousand four hundred and ninety-two dollars and forty-four cents (\$54,492.44) per annum for a total Plantation Crop area of 247 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 4 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.

JK G2

SCHEDULE

SETTLERS TREEFARM

THIS LEASE is made on 31 May, 2000

Counterpart Lease
Stamped with: \$2,413.80
Trn: 341062 06-SEP-2000
Stamp Duty Victoria, LACO

Item 1 Leased Area

The land described in Certificate of Title Volume 9290 Folio 438 being part of CA.27, Lot 2 on LP.124427, Parish of Bessiebelle.

Item 2 Annual Rent:

The sum of twenty-nine thousand seven hundred and seven dollars and forty-nine cents (\$29,707.49) per annum for a total Plantation Crop area of 55 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 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.

SCHEDULE

SHARROCK TREEFARM

THIS LEASE is made on 31 May, 2000

Counterpart Lease
Stamped with: \$1,921.20
Trn: 941063 06-SEP-2000
Stamp Duty Victoria, LA00

Item 1 Leased Area

The land described in Certificate of Title Volume 3463 Folio 456 being CA.90, Parish of Bessiebelle.

Item 2 Annual Rent:

The sum of twenty-three thousand six hundred and forty-four dollars and sixty-four cents (\$23,644.64) per annum for a total Plantation Crop area of 55 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 12 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.



SCHEDULE

STAMINA TREEFARM

THIS LEASE is made on 31 May, 2000

Counterpart Lease
Stamped with: \$2,947.80
Trn: 941064 06-SEP-2000
Stamp Duty Victoria, LACD

Item 1 Leased Area

The land described in Certificate of Title Volume 3923 Folio 584 being CA.52A and 52B, Parish of Keilambete.

Item 2 Annual Rent:

The sum of thirty-six thousand two hundred and eighty-two dollars and sixty-five cents (\$36,282.65) per annum for a total Plantation Crop area of 78 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 24 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.

J. E.

SCHEDULE

TANNERS TREEFARM

THIS LEASE is made on 31 May, 2000

Counterpart Lease
Stamped with: \$3,667.20
Trn: 241065 06-SEP-2000
Stamp Duty Victoria: LAC0

Item 1 Leased Area

The land described in Certificate of Title Volume 6479 Folio 645 being CA.25, Section A, Parish of Bramburra.

Item 2 Annual Rent:

The sum of forty-five thousand one hundred and forty-three dollars and fifty-nine (\$45,143.59) per annum for a total Plantation Crop area of 115 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 May, 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.



SCHEDULE

THE PARK TREEFARM

Counterpart Lease
Stamped with: \$8,673.60
Tm: 841066 06-SEP-2000
Stamp Duty Victoria, LACC

THIS LEASE is made on 31 May, 2000

Item 1 Leased Area

The land described in Crown Grant Volume 9344 Folio 089 being CA.30, Parish of Kanawinka.

Item 2 Annual Rent:

The sum of one hundred and six thousand seven hundred and sixty dollars and sixty-eight cents (\$106,760.68) per annum for a total Plantation Crop area of 333 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 May, 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.

[Handwritten signatures]

SCHEDULE

WARRABKOOK TREEFARM

THIS LEASE is made on 31 May, 2000

Counterpart Lease
Stamped with: \$1,512.00
Tm: 041067 06-SEP-2000
Stamp Duty Victoria, LACO

Item 1 Leased Area

The land described in Certificate of Title Volume 8151 Folio 327 being CA.1A1, 1B and 1C, Section 5, Parish of Warrabkook.

Item 2 Annual Rent:

The sum of eighteen thousand six hundred and four dollars and eighty-seven cents (\$18,604.87) per annum for a total Plantation Crop area of 56 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

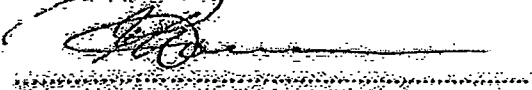
The period commencing on 27 March, 2000 (the "Commencement Date") and expiring on the earliest of:

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

[Handwritten signatures]

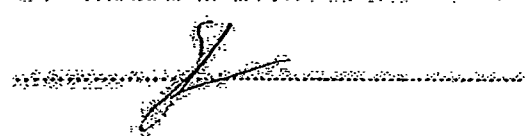
EXECUTED as an agreement.

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



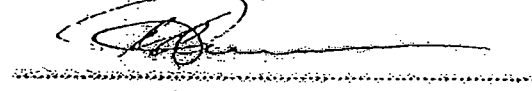
)
)
)
Director





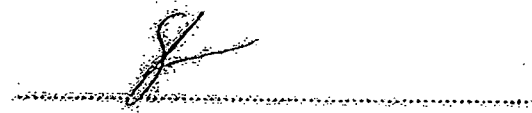
Director/Secretary

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



)
)
)
Director





Director/Secretary

2000 003

SUB-LEASE – VICTORIA
2000 TIMBERCORP EUCALYPTS PROJECT

BETWEEN

TIMBERCORP LIMITED

ACN. 055 185 067

(the "Project Manager")

- and -

EACH SEVERAL GROWER

(the "Grower")

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THIS SUB-LEASE is made on

31

May 2000.

BETWEEN:

FIRST PARTY: TIMBERCORP LIMITED, ACN. 055 185 067 of 5th Floor, 95 Queen Street, Melbourne, Victoria (the "Project Manager"); and

SECOND PARTY: Each several person who is named or otherwise described in Part 2 of the Schedule and his transferees and assigns (as permitted under the Project Deed) (each of whom is called a "Grower"; whichever relevant Grower is of concern in any particular circumstances is called "the relevant Grower"; and all of whom are called "the relevant Growers").

RECITALS:

- A. The Project Manager holds leases or sub-leases over the pieces of land described in Part 1 of the Schedule (each such piece of land being called in this Sub-Lease a "Plantation").
- B. The Project Manager has agreed to sub-let to each relevant Grower one or more separate Woodlots as set out in Part 2 of the Schedule, each Woodlot comprising part of one of the Plantations, for the purpose of planting, tending and harvesting a plantation of eucalyptus trees on the basis that the relevant Grower will pay rent and upon the further terms and conditions set out in this Sub-Lease.
- C. Pursuant to the provisions of the Project Deed each relevant Grower (or its predecessor in title) has engaged the Project Manager to provide certain plantation services for the Grower.

Counterpart Lease
Signed 31/05/00 10:20
Inst 836880 01-EDP-2100
State Date Victoria: LPO3

OPERATIVE PROVISIONS:

1. DEFINITIONS

In this Sub-Lease unless the context otherwise requires:

"Commencement Date" means in respect of a relevant Grower, the date on which an application for Woodlots under the Prospectus is accepted by the Project Manager.

"Debris" means all those parts of Trees which are not Wood (including branches and treetops), but excluding stumps and roots, wire, rope and miscellaneous rubbish.

"Force Majeure" has the meaning set out in clause 10.2.

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

"Head Lease" means the agreement set out adjacent to the description of the Plantation in Part 1 of the Schedule and made between the Project Manager (as lessee or sub-lessee as the case may be) and the person listed as the proprietor (as lessor or sub-lessor as the case may be) whereby the Project Manager has been granted a lease or sub-lease over the Plantation.

"Management Agreement" means the agreement of even date for the carrying out of certain plantation services on the relevant Woodlots and on the relevant Plantation between each several Grower and the Project Manager.

"Management Plan" means the plan for the management of a Plantation (as varied by the Project Manager) which plans are annexed to the Management Agreement.

"month" means calendar month.

"Party" means a party to this Sub-Lease and includes the transferees, successors and permitted assigns of that party.

"Plantation" has the meaning set out in Recital A. The "relevant Plantation" is the Plantation which contains a relevant Woodlot.

"Proceeds" has the same meaning as in sub-clause 1.1 of the Project Deed.

"Project Deed" means the deed made on 11 January 1999 between the Project Manager as responsible entity and each several Grower constituting managed investment scheme called the 2000 Timbercorp Eucalypts Project.

"Prospectus" means the 2000 Timbercorp Eucalypts Project Prospectus issued by the Project Manager.

"Schedule" means the schedule appearing at the back of this Sub-Lease.

"Term" means the term of this Sub-Lease as specified in Part 3 of the Schedule plus any extension thereof under clause 10.1.

"Trees" means the crop of eucalyptus trees the subject of the Management Plan planted and tended or to be planted and tended on the relevant Woodlots, or on the relevant Plantation, whichever is applicable.

"Wood" means any saleable wood derived from Trees grown pursuant to this Sub-Lease and the Management Agreement on the relevant Woodlots, or on the relevant Plantation, whichever is applicable, whether in the form of trees, logs, timber or otherwise.

"relevant Woodlots" means the Woodlot or Woodlots to which the relevant Grower is entitled under the provisions of this Sub-Lease as specified in Part 2 of the Schedule and more particularly delineated on the maps in Part 1 of the Schedule.

2. INTERPRETATION

In this Sub-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, corporation and any incorporated body.
- (c) Headings are for convenience only and do not affect the interpretation of this Sub-Lease.

- (d) A reference to an Act of Parliament will 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 Sub-Lease includes that Party's transferees, successors and permitted assigns.
- (f) If the relevant Grower comprises more than one person, this Sub-Lease binds all of them jointly and each of them severally. If any of the persons comprising the relevant Grower is a trustee, this Sub-Lease binds that person in its capacity as a trustee and personally.
- (g) 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.
- (h) Words and expressions used in this Sub-Lease have the same meaning as in the Project Deed unless the contrary requires.

3. GRANT OF SUB-LEASE

The Project Manager sub-leases to the relevant Grower the Woodlot or Woodlots described against the name of the relevant Grower in Part 2 of the Schedule for the Term for the purpose of growing, tending and harvesting a plantation or plantations of eucalyptus trees.

4. CONDITIONS

4.1 Consents and approvals

This Sub-Lease is subject to and conditional upon the obtaining of all local, State and Commonwealth government approvals, licences or permission required for the establishment of the Trees within twelve (12) months after the date of execution of this Sub-Lease. This condition is deemed to be a condition subsequent.

4.2 Other agreements

This Sub-Lease is subject to and conditional upon:

- (a) the relevant Grower entering into the relevant Management Agreement;
and
- (b) the Project Manager entering into the Head Lease,

in respect of the Trees on or prior to the Commencement Date.

4.3 Use all reasonable endeavours to ensure conditions satisfied

Each of the Project Manager and the relevant Grower will use all reasonable endeavours to ensure that the conditions specified in clause 4.1 are satisfied as

soon as is reasonably practicable, and where required will keep each other fully informed as to progress towards satisfaction of the conditions.

4.4 Failure of conditions

If any of the conditions referred to in clauses 4.1 or 4.2 of this Sub-Lease or any like conditions referred to in the Head Lease are not obtained within the time limited in those clauses:

- (a) this Sub-Lease will be at an end; and
- (b) the Project Manager must immediately repay to the relevant Grower any instalments of Annual Rent or other moneys paid by the relevant Grower to the Project Manager under this Sub-Lease.

5. RENT

5.1 Annual Rent

The relevant Grower must duly and punctually pay to the Project Manager during the Term the rent specified in Part 4 of the Schedule as reviewed from time to time in accordance with clause 5.2 ("Annual Rent").

5.2 Rent reviews

The Annual Rent shall be reviewed on 31 October 2001 and each 31 October thereafter during the Term (as extended or renewed) ("Review Dates"). The Annual Rent payable on and from each review Date shall be the greater of:

- (a) the Annual Rent payable immediately prior to the relevant Review Date; and
- (b) the amount calculated in accordance with the following formula:

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

Where:

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

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

NCPI is the Consumer Price Index (All Groups) Weighted average of eight capital cities (or any substitute accepted by the government of the Commonwealth of Australia) as last published by the Australian Bureau of Statistics prior to the relevant Review Date.

CPI is the Consumer Price Index (All Groups) Weighted average of eight capital cities (or any substitute accepted by the government of the Commonwealth of Australia) as last published by the Australian Bureau of Statistics prior to the immediately preceding Review Date or, in the case of the first review, as last published by the Australian Bureau of Statistics prior to the date of execution of this Lease.

5.3 Discontinuation or suspension of CPI

If the Consumer Price Index (All Groups) Weighted average of eight capital cities is discontinued or suspended, the method of review set out in clause 5.2(b) will cease to apply and will be replaced with such alternative method as is mutually agreed between the Project Manager and the relevant Grower or, if they fail to agree, such alternative method as in the opinion of an expert appointed by the President for the time being of the Institute of Chartered Accountants (Victorian Division) at the request of either of them most closely reflects changes in the cost of living for the eight capital cities of Australia. The cost of any expert determination carried out under this clause shall be borne equally between the Project Manager and the relevant Grower.

6. RELEVANT GROWER'S OBLIGATIONS

The relevant Grower agrees with the Project Manager that the relevant Grower will at the relevant Grower's expense during the Term:

6.1 Permitted use

Use the relevant Woodlots solely for the purpose of growing, tending and harvesting a plantation or plantations of eucalyptus trees.

6.2 Forestry practice

Comply with sound silvicultural and environmental practices adopted within the forestry industry.

6.3 Comply with laws

Comply with all laws and regulations relating to the use and occupancy of the relevant Woodlots.

6.4 Repairs

Promptly repair any damage caused by the relevant Grower or its employees, agents or contractors to any roads, tracks or fences on the relevant Woodlots or on any neighbouring land.

6.5 Interference with activities

Take all reasonable steps to avoid interfering with the activities carried out on any neighbouring land by the owner or occupier of that land.

6.6 Chemicals and dangerous substances

Not store or use any chemical, inflammable, noxious or dangerous substances in a manner which is likely to result in damage to vegetation, livestock, crops or water reserves on any neighbouring land.

6.7 Buildings

Not erect any buildings, structures or dwellings or use any caravans on the relevant Woodlots for accommodation purposes.

6.8 Permit Project Manager to enter

Permit the Project Manager to enter upon the relevant Woodlots from time to time with or without equipment for the purpose of performing the Project Manager's obligations under this Sub-Lease.

6.9 Comply with other agreements

Comply or procure compliance with the provisions of the agreement referred to in paragraph 4.2(a).

6.10 Give access to owners of adjoining Woodlots

Give such rights of way and free access to the owners or occupiers of any Woodlot adjoining the relevant Woodlots as are necessary for their proper use and enjoyment of their Woodlots, but such rights of access shall be limited to the unimpeded use of any existing access roads, pathways or fire-breaks on or about their Woodlot.

7. PROJECT MANAGER'S OBLIGATIONS**7.1 Construction of Boundary Fence prior to Commencement Date**

The Project Manager agrees with the relevant Grower that the Project Manager will at the Project Manager's expense prior to the Commencement Date (or such later date as the relevant Grower may agree) construct or cause to be constructed a fence along the external boundary of the relevant Plantation, or in such other location as the Project Manager deems fit, suitable to restrain livestock from straying onto the relevant Woodlots.

7.2 During the Term

The Project Manager agrees with the relevant Grower that the Project Manager will at the Project Manager's expense during the Term:

(a) Quiet enjoyment

Allow the relevant Grower to peaceably and quietly hold and enjoy the relevant Woodlots without any interruption by the Project Manager or any person claiming through or under the Project Manager.

(b) Maintain boundary fence

Maintain or cause to be maintained the fence constructed pursuant to clause 7.1 in good and substantial repair and condition.

(c) Rates and taxes

Duly and punctually pay or cause to be paid all rates, taxes and other charges levied by any government or other authority in respect of the relevant Woodlots.

(d) Comply with laws

Comply with all laws and regulations relating to the use and occupancy of any neighbouring land occupied by the Project Manager.

(e) Chemicals and dangerous substances

Not store or use any chemical, inflammable, noxious or dangerous substances in a manner which is likely to result in damage to vegetation, livestock, crops or water reserves on the relevant Woodlots.

(f) Comply with Head Lease

Comply with the provisions of the Head Lease.

(g) Control of fires

Take all necessary measures to ensure that any fires which may occur or be lit on any neighbouring land owned or occupied by the Project Manager are properly controlled and supervised.

(h) Not create any encumbrances

Not create any encumbrances over the relevant Plantation or the relevant Woodlots or any part thereof ranking in priority to the interests of the relevant Growers under this Sub-Lease other than the agreement referred to in paragraph 4.2(a).

8. RELEVANT GROWER'S RIGHTS

8.1 General

The Project Manager hereby grants to the relevant Grower the rights set out in this part to be exercised by the relevant Grower during the Term.

8.2 Harvest

The relevant Grower shall be entitled to harvest the Trees and to remove and sell the products derived from the Trees and to retain all income from such sale.

8.3 Trees are property of the relevant Grower

The parties acknowledge and agree that the Trees are and will remain the property of the relevant Grower until the end of the Term.

8.4 Access

The relevant Grower shall be entitled to full and free access for any purpose whatsoever to the relevant Woodlots along any road or track on any neighbouring land in respect of which the Project Manager has similar rights and which gives access to the relevant Woodlots from a public road.

8.5 Construct roads and tracks

The relevant Grower may with the prior written consent of the Project Manager, which consent must not be unreasonably withheld, construct and maintain such roads and

tracks (including, if necessary, bridges and culverts) on the relevant Woodlots or on any neighbouring land in respect of which the Project Manager has similar rights, as are reasonably required by the relevant Grower to provide access to the relevant Woodlots from a public road for log haulage.

8.6 Use of sand and gravel

For the purposes of constructing and maintaining the roads and tracks referred to in clause 8.5 the relevant Grower may take and use sand, gravel and other material available from a place approved by the Project Manager on the relevant Woodlots or on any neighbouring land in respect of which the Project Manager has similar rights, in such quantities as the relevant Grower reasonably requires. If the relevant Grower exercises its rights under this clause, the relevant Grower must rehabilitate the surface of the land to an appearance as near as possible to the appearance of the surface of the surrounding land.

8.7 Security

The relevant Grower may at its own expense padlock any gates on roads or tracks entering the relevant Woodlots and take such other measures to exclude trespassers as the relevant Grower reasonably considers appropriate. Upon request, the relevant Grower must provide the Project Manager with a key to any padlocks, or if the relevant Grower has taken any other measures under this clause, such other means of entry, to the relevant Woodlots.

9. Project Manager's rights

9.1 General

The Grower hereby grants to the Project Manager the rights set out in this part to be exercised by the Project Manager during the Term.

9.2 Graze livestock

The Project Manager or its invitees may graze livestock on the relevant Woodlots and retain all income derived therefrom.

9.3 Bees

The Project Manager or its invitees may keep bees on the relevant Woodlots and retain all income derived therefrom.

9.4 Access

The Project Manager shall be entitled to full and free access for the purposes of carrying out its rights and obligations with or without vehicles to the relevant Woodlots along any road or track or any neighbouring land owned or occupied by the Project Manager which gives access to the relevant Woodlots from a public road.

9.5 Further access

The Project Manager shall be entitled to full and free access with or without vehicles to the relevant Woodlots for the purpose of accessing neighbouring land owned or occupied by the Project Manager.

9.6 Use of sand and gravel

The Project Manager may with the approval of the Grower take and use sand, gravel and other material from a place on the relevant Woodlots which does not derogate from the productivity of the Trees. The Grower may withhold the approval in the event that it believes that the removal of the sand, gravel and other material will derogate from the productivity of the Trees.

9.7 Signs

The Project Manager may at its own expense erect and maintain a sign on the relevant Woodlots detailing such matters as the Project Manager reasonably considers appropriate.

10. FORCE MAJEURE

10.1 Extension for late harvesting

If the relevant Grower is prevented from:

- (a) harvesting the Trees;
- (b) removing from the relevant Woodlots the products derived from the Trees;
or
- (c) processing the products derived from the Trees,

due to an event of Force Majeure, but continues to pay the Annual Rent, the Grower may by giving written notice to the Project Manager elect to extend the Term for a period of time equal to the duration of the event of Force Majeure.

10.2 Definition of Force Majeure

In this part "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 person claiming Force Majeure 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.

11. EARLY TERMINATION AND REDUCTION OF THE RELEVANT WOODLOTS

11.1 Termination for default

- (a) The relevant Grower may terminate this Sub-Lease in respect of the relevant Woodlots with immediate effect if the Project Manager commits a material breach of this Sub-Lease and fails to remedy the breach or make reasonable compensation in money within thirty (30) days after the relevant Grower has served a written notice on the Project Manager requiring the Project Manager to remedy the breach.
- (b) The Project Manager may terminate this Sub-Lease in respect of the relevant woodlots with immediate effect if:
 - (i) the relevant Grower fails to pay any instalment of annual rent by the due date for payment and such amount is not paid in full within three months after the Project Manager has served a written notice on the relevant Grower requesting payment; or
 - (ii) the relevant Grower commits a material breach of this Sub-Lease and fails to remedy the breach or make reasonable compensation in money within thirty (30) days after the Project Manager has served a written notice on the relevant Grower requiring the relevant Grower to remedy the breach.

11.2 Loss of Trees

- (a) If, in respect of any of the relevant Woodlots:
 - (i) the whole or a substantial part of the Trees is damaged or destroyed whether by fire or any other cause whatsoever; or
 - (ii) an independent forestry consultant commissioned by the relevant Grower reasonably determines that the whole or a substantial part of the Trees is no longer commercially viable,

the relevant Grower may terminate this Sub-Lease in respect of the relevant Woodlots by giving not less than four (4) months' prior written notice of such termination to the Project Manager. Termination under this clause shall take effect on and from the 30 June next following the expiration of the period of notice.
- (b) If so directed by the Project Manager in writing within two (2) months after receipt of the relevant Grower's notice of termination, the relevant Grower must, subject to clause 18.11, at the relevant Grower's expense forthwith remove from the relevant Woodlots all trees, logs, stumps and debris forming part of or derived from the Trees and re-seed pasture on the relevant Woodlots.

11.3 Reduction of the relevant Woodlots

- (a) If in respect of any of the relevant Woodlots:

- (i) part of the Trees is damaged or destroyed whether by fire or any other cause whatsoever; or
- (ii) an independent forestry consultant commissioned by the relevant Grower reasonably determines that part of the Trees is no longer commercially viable,

the relevant Grower may terminate this Sub-Lease in respect of that portion of the relevant Woodlots on which the affected part of the Trees is or was growing ("the surrendered area"), by giving not less than four months prior written notice of such termination to the Project Manager. Termination under this clause shall take effect on and from the later of:

- (i) the 30 June next following the expiration of the period of notice; and
- (ii) the date on which the relevant Grower has met all of its obligations under clause 11.3(b).

- (b) If so directed by the Project Manager in writing within two (2) months after receipt of the relevant Grower's notice of termination, the relevant Grower must, subject to clause 18.11, at the relevant Grower's expense forthwith remove from the surrendered area all trees, logs, stumps and debris forming part of or derived from the Trees and, provided it is reasonably practicable to do so, fence off the surrendered area from the remainder of the relevant Woodlots, re-seed pasture on the surrendered area and provide the Project Manager and the lessor or sub-lessor under the Head Lease with reasonable access to the surrendered area.

11.4 Effect of termination

- (a) Termination of this Sub-Lease under clauses 11.1 or 11.2 or reduction of the relevant Woodlots under clause 11.3 shall be without prejudice to any rights or obligations which may have accrued prior to the date of termination.
- (b) Termination of this Sub-Lease in respect of a relevant Woodlot or part of a relevant Woodlot under this part 11 shall not affect the rights or obligations of the Parties in respect of any other relevant Woodlot or other part of the relevant Woodlot.

11.5 Limited right of termination

Except as expressly provided in this Part, neither the Project Manager nor the relevant Grower shall be entitled to terminate or rescind this Sub-Lease and the Project Manager shall not be entitled to re-enter the relevant Woodlots or forfeit this Lease, at any time prior to the expiration of the Term.

12. RIGHTS AND OBLIGATIONS ON EXPIRATION OR TERMINATION

12.1 Removal of stumps, roads and tracks

The Project Manager acknowledges and agrees with the relevant Grower that, except to the extent that clauses 11.2(b) and 11.3(b) apply, the relevant Grower will not be liable to remove or to pay for the removal of:

- (a) any stumps from the relevant Woodlots; or
- (b) any roads or tracks constructed on the relevant Woodlots or on any neighbouring land under clause 8.5,

at the expiration or earlier termination of this Sub-Lease.

12.2 Removal of products and equipment

During the three (3) month period following the expiration of this Sub-Lease, the relevant Grower may enter upon the relevant Woodlots and remove any products derived from the Trees and any plant, equipment, implements or other things brought onto the relevant Woodlots by or on behalf of the relevant Grower during the Term.

12.3 Products and equipment left by the relevant Grower

- (a) Any plant, equipment, implements or other things brought onto the relevant Woodlots by or on behalf of the relevant Grower, which are not removed by the relevant Grower within the three (3) month period referred to in clause 12.2; and
- (b) any part of the Trees not harvested by the relevant Grower during the Term (as extended or renewed),

will be the property of the Project Manager.

13. Ownership of the Trees

13.1 Ownership

The Project Manager acknowledges and agrees with the relevant Grower that for so long as this Sub-Lease has not been terminated for non-payment of Annual Rent under clause 11.1(b) and the relevant Grower continues to pay the Annual Rent the Trees will be and shall remain the property of the relevant Grower for the period referred to in paragraph 13.3(b).

13.2 Additional Rights

The Project Manager hereby transfers and grants to the relevant Grower the following rights in addition to the other rights granted to the relevant Grower under this Sub-Lease:

- (a) to establish, tend and manage the Trees and to cultivate and plant seedling trees as part of the Trees;
- (b) to enter upon the relevant Woodlots with or without vehicles and, to the exclusion of the Project Manager and all other persons, to harvest the Trees and remove and sell the products derived from the Trees; and
- (c) to exercise and enjoy such of the rights and powers granted to the relevant Grower under this Lease as may be necessary to enable the relevant Grower to exercise the rights referred to in paragraphs (a) and (b) above.

13.3 Independent Proprietary Interest

- (a) The rights and interests granted to the relevant Grower under clauses 13.1 and 13.2 constitute an independent and severable grant of a proprietary interest in the relevant Woodlots by the Project Manager to the relevant Grower.
- (b) In the event that the Term or the leasehold interest of the relevant Grower under this Sub-Lease:
 - (i) ends; or
 - (ii) is terminated (other than by effluxion of time or by the operation of Parts 4 or 11); or
 - (iii) becomes void whether by reason of some act or default of the Project Manager or of the trustee in bankruptcy, receiver, receiver and manager, controller, administrator or liquidator of the Project Manager, or for any other reason whatsoever,
 the rights and interests granted to the relevant Grower under clauses 13.1 and 13.2 shall, unless expressly surrendered by the relevant Grower, continue in full force and effect and may be exercised and enjoyed by the relevant Grower until the date on which the Term would have ended by effluxion of time.

14. MINING AND PETROLEUM ACTIVITIES

14.1 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.

14.2 Application for Mining Tenement or Petroleum Title

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

- (a) The Project Manager must promptly notify the relevant Grower.
- (b) Neither the Project Manager nor the Grower shall consent to the application or do any act or thing that may assist the grant of the application.
- (c) The relevant Grower 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 Project Manager must sign such documents as the relevant Grower may require, and the relevant Grower will be entitled to take such proceedings in the name of the Project Manager as the relevant Grower considers appropriate. The relevant Grower hereby indemnifies the Project Manager for any loss suffered by the Project Manager as a direct consequence of the relevant Grower exercising its rights under this paragraph (d).
- (e) The Project Manager hereby appoints the relevant Grower its lawful attorney to execute the documents and to do the things referred to in paragraph (d).

14.3 Grant of Mining Tenement or Petroleum Title

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

- (a) The Project Manager must keep the relevant Grower informed as to the Mining Activities or Petroleum Activities carried out upon the relevant Woodlots, and must forward copies of all communications with the persons carrying out or proposing to carry out such activities.
- (b) The Project Manager must not consent to any use of water, felling of trees, stripping of bark or cutting of timber on the relevant Woodlots.
- (c) If any compensation becomes payable by virtue of or in respect of Mining Activities or Petroleum Activities on the relevant Woodlots, then the Project Manager and the relevant Grower will be entitled to compensation according to their respective interests in the area affected by those activities. The Project Manager and the relevant Grower will each be responsible for negotiating and recovering such compensation.
- (d) If this Sub-Lease is terminated under clause 11.2 or area of the relevant Woodlots is reduced under clause 11.3 as a result of Mining Activities or Petroleum Activities being carried out on the relevant Woodlots, the provisions of clauses 11.2(b) and 11.3(b) will not apply in respect of such termination or reduction.

15. Warranties

The Project Manager represents and warrants that:

- 15.1 as at the date of execution of this Sub-Lease, the Head Lease is valid and subsisting;
- 15.2 the Project Manager is entitled under the Head Lease to grant this Sub-Lease to the relevant Grower; and
- 15.3 any consents which may be required to the granting of this Sub-Lease (other than those referred to in clause 4.1) have been obtained.

16. Notices

All notices, consents, approvals and other communications required or authorised to be given under this Sub-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 Sub-Lease or such other address as the addressee may have notified from time to time. A Notice shall 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.

17. Caveat

- 17.1 The relevant Grower may at its own expense lodge a subject to claim caveat at the Land Titles Office in respect of its interest under this Sub-Lease.
- 17.2 The Project Manager agrees to provide to the relevant Grower all plans and other details reasonably necessary to enable the relevant Grower to lodge a subject to claim caveat.
- 17.3 Upon the expiration or earlier termination of this Sub-Lease, the relevant Grower must promptly withdraw at its own expense any caveat lodged under this clause.
- 17.4 The relevant Grower irrevocably appoints the Project Manager its attorney to execute a withdrawal of any caveat required to be withdrawn by the Grower pursuant to clause 17.3 in the event of the relevant Grower failing promptly to do so.
- 17.5 The relevant Grower agrees to ratify anything done by the attorney in accordance with clause 17.4.

18. GENERAL

18.1 Further assurances

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

18.2 Voiding insurances

Each Party agrees that it will not do or permit or suffer to be done any act, manner or thing which may prejudice or render void or voidable any insurances in respect of the relevant Woodlots or the Trees or result in the premiums for such insurances being increased.

18.3 Transfer of Land Act

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

18.4 Property Law Act

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

18.5 Proper law

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

18.6 Severability

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

18.7 Parties may act through agents

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

18.8 No Partnership

Nothing contained in this Sub-Lease shall constitute a partnership between the Parties to this Sub-Lease. No Party shall hold itself out as the partner of the other of them. This Sub-Lease is not for the benefit of any person not a party to this Sub-Lease and shall not be deemed to give any right or remedy to any such party whether referred to in this Sub-Lease or not.

18.9 Waivers

No waiver by any Party of any breach of this Sub-Lease shall be deemed a waiver of any preceding or succeeding breach of this Sub-Lease.

18.10 Assignment

- (a) The relevant Grower covenants that the Project Manager shall have the full and free right to deal with any of its rights and interests hereunder to such other parties and on such terms and conditions as the Project Manager sees fit, providing at all times that the Project Manager shall not transfer, lease, mortgage, charge, assign, part with possession or otherwise dispose of its interest in the relevant Woodlots without first obtaining a deed of covenant by the proposed transferee, lessee, mortgagee, chargee, assignee, person who acquires possession or person who receives the disposal (the "Grantee") containing a covenant by the Grantee in favour of the relevant Grower that the Grantee will at all times during the Term observe and perform all or any of the covenants contained or implied in this Sub-Lease to be observed or performed by the Project Manager.

- (b) All costs associated with the preparation, completion and stamping of any deed of covenant required by the immediately preceding subclause shall be paid by the Project Manager or Grantee, and the relevant Grower shall not be required to contribute in any way to such costs.
- (c) The relevant Grower may only transfer, mortgage, assign or otherwise dispose of this SubLease or any of its rights or interests hereunder in accordance with the provisions of the Project Deed and otherwise may not assign sub-let or part with possession of the relevant Woodlots or any part thereof or otherwise by any act or deed to procure or allow or suffer (either voluntarily or involuntarily) the relevant Woodlots or any part thereof to be assigned transferred or sub-let or the possession thereof parted with and for all or any part of the term AND IT IS HEREBY DECLARED that nothing contained or implied in sections 80 and 82 of the Property Law Act 1969 shall apply to this Sub-Lease and both sections are hereby expressly excluded.

18.11 Limitation of liability of relevant Grower

- (a) Notwithstanding any other provision of this Agreement (other than clause 18.13), in no circumstances shall the relevant Grower be obliged to contribute any money or incur any other liability under this Agreement in excess of the aggregate of annual rent, the amount of the fees set out in parts 1(i) to (iii) of the schedule to the Management Agreement and Proceeds.
- (b) Once a transmission, transfer, mortgage, assignment or other disposal of the entire interest of the relevant Grower has been perfected in accordance with the provisions of the Project Deed, then the relevant Grower no longer remains liable under this Sub-Lease.

18.12 Delegation

The relevant Grower may, for the better performance of its obligations under this Sub-Lease, employ any person as an agent and all rights granted and obligations imposed upon the relevant Grower (except the grant to the relevant Grower of the leasehold estate) may be enjoyed and performed by the relevant Grower's agent, contractors and their employees, but delegation of any of the relevant Grower's obligations under this Sub-Lease shall not release it from liability under this Sub-Lease.

18.13 Goods and Services Tax

- (a) If any supply made by the Project Manager to the Grower under this Agreement is a taxable supply (according to GST law) so that the Project Manager is liable to pay GST, the parties agree that the consideration payable for that supply represents the value of the supply (that is, the GST exclusive amount) and not the price for that supply.

- (b) The price for any taxable supply made by the Project Manager 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) The GST referable to any taxable supply is payable by the Grower 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 Grower and the Project Manager must issue a tax invoice to the Grower no later than 28 days after being requested to do so by the Grower.
- (d) The Grower must also pay to the Project Manager any other taxes imposed or assessed in respect of this Lease or any transaction contemplated by this Lease from time to time other than stamp duty and land tax.

PART 1: THE PLANTATIONS AND HEAD LEASE DETAILS (P2000-VIC-SPSR)

Plantation Code	Plantation Name	Land Description	Head Lease Details
AFE	Affleck 2000	Those parts of Certificates of Title Volume 8864 Folio 087 and Volume 10164 Folio 424 as are delineated into woodlots numbered 1 to 52 on the map annexed hereto.	J.R.R. Affleck
BCO	Bacon 2000	Those parts of Conveyance No. 898 Book No. 045, Certificate of Titles Volume 7384 Folio 663 and Volume 7252 Folio 385 as are delineated into woodlots numbered 1 to 70 on the map annexed hereto.	Timbercorp Lands Pty. Ltd.
BLD	Balds	Those parts of Certificates of Title Volume 7469 Folio 055 and Volume 8143 as are delineated into woodlots numbered 1 to 79 on the map annexed hereto.	Timbercorp Lands Pty. Ltd.
DXN	Beverley 2000	Those parts of Certificate of Title Volume 9675 Folio 749 as are delineated into woodlots numbered 1 to 16 on the map annexed hereto.	Plantation Land Ltd.
BER	Broers 2000	Those parts of Certificate of Title Volume 8500 Folio 595 as are delineated into woodlots numbered 1 to 143 on the map annexed hereto.	Plantation Land Ltd.
BRY	Bronwyn 2000	Those parts of Certificate of Title Volume 8089 Folio 796 as are delineated into woodlots numbered 1 to 47 on the map annexed hereto.	Timbercorp Lands Pty. Ltd.
BUU	Burns 2000	Those parts of Crown Grant Volume 3705 Folio 916 and Certificate of Title Volume 3153 Folio 442 as are delineated into woodlots numbered 1 to 215 on the map annexed hereto.	Plantation Land Ltd.
CCA	Caroona 2001	Those parts of Certificate of Title Volume 9525 Folio 995 as are delineated into woodlots numbered 1 to 52 on the map annexed hereto.	C.C. Dufty

Plantation Code	Plantation Name	Land Description	Head Lease Details
CHK	Chick 2000	Those parts of Certificate of Title Volume 9888 Folio 922 as are delineated into woodlots numbered 1 to 65 on the map annexed hereto.	Plantation Land Ltd.
CKK	Cook 2000	Those parts of Certificate of Title Volume 9031 Folio 941 as are delineated into woodlots numbered 1 to 84 on the map annexed hereto.	Plantation Land Ltd.
COJ	Corrijon 2000	Those parts of Certificate of Title Volume 10285 Folio 679 as are delineated into woodlots numbered 1 to 23 on the map annexed hereto.	Timbercorp Lands Pty. Ltd.
DAH	Danyenah 2000	Those parts of Crown Grant Volume 7977 Folio 087 and Certificate of Title Volume 8715 Folio 642 as are delineated into woodlots numbered 1 to 125 on the map annexed hereto.	Timbercorp Lands Pty. Ltd.
DOO	Dooley 2000	Those parts of Certificate of Title Volume 8623 Folio 759 and Conveyance No. 856 Book 770 as are delineated into woodlots numbered 1 to 128 on the map annexed hereto.	Timbercorp Lands Pty. Ltd.
DOZ	Dozerlea 2000	Those parts of Certificate of Title Volume 8761 Folio 835 as are delineated into woodlots numbered 1 to 131 on the map annexed hereto.	Plantation Land Ltd.
FUL	Fullertons 2000	Those parts of Crown Grant Volume 10340 Folio 676 as are delineated into woodlots numbered 1 to 131 on the map annexed hereto.	Plantation Land Ltd.
GRO	Grosvenor 2000	Those parts of Certificates of Title Volume 10149 Fol 128, Volume 10149 Folio 131 and Crown Grant Volume 9568 Folio 993 as are delineated into woodlots numbered 1 to 316 on the map annexed hereto.	Plantation Land Ltd.
HUE	Hunter 2000	Those parts of Certificates of Title Volume 9645 Folio 861 and Volume 2467 Folio 274 as are delineated into woodlots numbered 1 to 30 on the map annexed hereto.	P.S. & P.E. Hunter

Plantation Code	Plantation Name	Land Description	Head Lease Details
JAE	James 2000	Those parts of Certificate of Title Volume 8227 Folio 684 as are delineated into woodlots numbered 1 to 203 on the map annexed hereto.	J.C. Malseed
JES	Jensz 2000	Those parts of Certificates of Title Volume 9221 Folio 770 and Volume 8607 Folio 544 as are delineated into woodlots numbered 1 to 185 on the map annexed hereto.	Plantation Land Ltd.
KAA	Kalambra 2000	Those parts of Certificates of Title Volume 7070 Folio 943, Volume 3100 Folio 963, Volume 8128 Folio 894 and Volume 7506 Folio 169 as are delineated into woodlots numbered 1 to 234 on the map annexed hereto.	Timbercorp Lands Pty. Ltd.
KON	Koondoola 2000	Those parts of Certificates of Title Volume 4435 Folio 993 and Volume 2974 Folio 773 as are delineated into woodlots numbered 1 to 99 on the map annexed hereto.	Timbercorp Lands Pty. Ltd.
LAU	Laurie 2000	Those parts of Certificates of Title Volume 8498 Folio 184, Volume 4848 Folio 520 and Crown Grant Volume 8217 Folio 206 as are delineated into woodlots numbered 1 to 381 on the map annexed hereto.	Plantation Land Ltd.
MAX	Maxwell 2000	Those parts of Certificate of Title Volume 9558 Folio 641 as are delineated into woodlots numbered 1 to 21 on the map annexed hereto.	Plantation Land Ltd.
MEO	Melano 2000	Those parts of Certificate of Title Volume 3046 Folio 609140 as are delineated into woodlots numbered 1 to 37 on the map annexed hereto.	Timbercorp Lands Pty. Ltd.
MEY	Moloney 2000	Those parts of Certificates of Title Volume 8987 Folio 718, Volume 3022 Folio 271, Volume 3022 Folio 272, Volume 925 Folio 924 and Volume 2576 Folio 157 as are delineated into woodlots numbered 1 to 354 on the map annexed hereto.	Timbercorp Lands Pty. Ltd.

Plantation Code	Plantation Name	Land Description	Head Lease Details
MUA	Murray 2000	Those parts of Certificates of Title Volume 8632 Folio 651, Volume 8632 Folio 652 and Volume 8632 Folio 653 as are delineated into woodlots numbered 1 to 55 on the map annexed hereto.	Timbercorp Lands Pty. Ltd.
MYO	Myonagh 2000	Those parts of Certificates of Title Volume 4263 Folio 46, Volume 6415 Folio 831 and Volume 8560 Folio 920 as are delineated into woodlots numbered 1 to 88 on the map annexed hereto.	G.C. Saunders and M.R. Williams
NIL	Nigel 2000	Those parts of Certificate of Title Volume 10218 Folio 006 as are delineated into woodlots numbered 1 to 73 on the map annexed hereto.	Plantation Land Ltd.
PUC	Purcell 2000	Those parts of Crown Grant Volume 4718 Folio 506, Certificate of Title Volume 7916 Folio 001, Crown Grant Volume 5316 Folio 071, Crown Grant Volume 2504 Folio 741, Certificate of Title Volume 6447 Folio 226, Crown Grant Volume 3891 Folio 173, Crown Grant Volume 4160 Folio 817, Certificate of Title Volume 6447 Folio 225, Volume 5708 Folio 424, Volume 6724 Folio 771, Crown Grant Volume 2876 Folio 148, Crown Grant Volume 2876 Folio 149, Crown Grant Volume 2876 Folio 160 and Certificate of Title Volume 7915 Folio 200 as are delineated into woodlots numbered 1 to 390 on the map annexed hereto.	Timbercorp Lands Pty. Ltd.
RIP	Rippon 2000	Those parts of Certificate of Title Volume 9655 Folio 751 as are delineated into woodlots numbered 1 to 168 on the map annexed hereto.	Timbercorp Lands Pty. Ltd.

Plantation Code	Plantation Name	Land Description	Head Lease Details
RUT	Rutter 2000	Those parts of Certificates of Title Volume 5848 Folio 443, Volume 7375 Folio 955, Volume 6138 Folio 415, Volume 9525 Folio 359, Volume 9082 Folio 274, Volume 9082 Folio 273, Volume 9082 Folio 274, Volume 9525 Folio 994, Volume 7375 Folio 953 as are delineated into woodlots numbered 1 to 194 on the map annexed hereto.	Plantation Land Ltd.
SCR	Schriever	Those parts of Certificates of Title Volume 6756 Folio 126 and Volume 9235 folio 344 as are delineated into woodlots numbered 1 to 49 on the map annexed hereto.	R.A. Schriever
SCI	Scotties 2000	Those parts of Certificate of Title Part Volume 6993 Folio 1398538 as are delineated into woodlots numbered 1 to 246 on the map annexed hereto.	D.S. Scott
SEL	Settlers 2000	Those parts of Certificate of Title Volume 9290 Folio 438 as are delineated into woodlots numbered 1 to 55 on the map annexed hereto.	Plantation Land Ltd.
SHO	Sharrock 2000	Those parts of Certificate of Title Volume 3463 Folio 456 as are delineated into woodlots numbered 1 to 55 on the map annexed hereto.	Plantation Land Ltd.
SHI	Shider 2000	Those parts of Certificate of Title Volume 9576 Folio 234 as are delineated into woodlots numbered 1 to 133 on the map annexed hereto.	Timbercorp Lands Pty. Ltd.
SOB	Sobey 2000	Those parts of Certificates of Title Volume 10426 Folios 321, 322, 323, 324, 325, 326, 327 and 328, Volume 8603 Folio 238 and Volume 8511 Folio 098 as are delineated into woodlots numbered 1 to 185 on the map annexed hereto.	Timbercorp Lands Pty. Ltd.

Plantation Code	Plantation Name	Land Description	Head Lease Details
SPO	Sproal 2000	Those parts of Certificates of Title Volume 8524 Folio 049, Volume 9099 Folio 372 and Volume 8112 Folio 466 as are delineated into woodlots numbered 1 to 198 on the map annexed hereto.	Timbercorp Lands Pty. Ltd.
STM	Stamina 2000	Those parts of Certificate of Title Volume 3923 Folio 584 as are delineated into woodlots numbered 1 to 78 on the map annexed hereto.	Plantation Land Ltd.
STP	Stephens 2000	Those parts of Indenture of Conveyance No. 782 Book 748 as are delineated into woodlots numbered 98 to 238 on the map annexed hereto.	Plantation Land Ltd.
SUH	Sutherland 2000	Those parts of Certificate of Title Volume 8222 Folio 717 as are delineated into woodlots numbered 1 to 378 on the map annexed hereto.	Timbercorp Lands. Pty. Ltd.
TAN	Tanners 2000	Those parts of Certificate of Title Volume 6479 Folio 645 as are delineated into woodlots numbered 1 to 115 on the map annexed hereto.	Plantation Land Ltd.
TER	Terrence 2000	Those parts of Confirmatory Assent No. 755 Book 798 as are delineated into woodlots numbered 1 to 57 on the map annexed hereto.	T.R. Price
THP	The Park 2000	Those parts of Crown Grant Volume 9344 Folio 089 as are delineated into woodlots numbered 1 to 270, 279 to 303, 323 to 333 on the map annexed hereto.	Plantation Land Ltd.
TIM	Timothy 2000	Those parts of Certificate of Title Volume 10097 Folio 099, Crown Grant Volume 700 Folio 195 and Volume 7088 Folio 545 as are delineated into woodlots numbered 1 to 240 on the map annexed hereto.	Timbercorp Lands Pty. Ltd.
UNM	Unima 2000	Those parts of Certificates of Title Volume 4750 Folio 894 and Volume 9396 Folio 004 as are delineated into woodlots numbered 1 to 231 on the map annexed hereto.	V.O. Graziers Pty. Ltd.

Plantation Code	Plantation Name	Land Description	Head Lease Details
WAB	Warrabkook 2000	Those parts of Certificate of Title Volume 8151 Folio 327 as are delineated into woodlots numbered 1 to 56 on the map annexed hereto.	Plantation Land Ltd.

PART 2: NAMES AND ADDRESSES OF GROWERS AND RELEVANT WOODLOTS

PART 3: Term

In respect of a relevant Grower, means the period commencing on the Commencement Date and expiring on the earliest of:

- (a) 30 June 2014;
- (b) the date harvesting of the Wood is completed; and
- (c) the day immediately preceding the termination date of the Head Lease.

PART 4: Annual Rent

- (a) \$130 per relevant Woodlot payable on or before the Commencement Date in respect of the period from the Commencement Date until 30 June 2000; and
- (b) \$270 per relevant Woodlot per annum, payable
 - (i) on 31 October 2000 in respect of the period from 1 July 2000 to 30 June 2001; and
 - (ii) thereafter, in respect of each subsequent financial year during the Term, on each 31 October during that financial year.

EXECUTED as an agreement

EXECUTED BY TIMBERCORP LIMITED)
in accordance with its Constitution in the)
presence of:)



[Signature] Director

[Signature] Director/Secretary

As Attorney for and on behalf of each several relevant
Grower

EXECUTED in Melbourne by Permanent Trustee
Company Limited ACN 000 000 993 as custodian under
the Custody Agreement dated 8 March 2000 by being
SIGNED SEALED AND DELIVERED by its attorneys who
state that they have no notice of revocation of the Power
of Attorney dated 2 June 1993, whereby they execute this
deed document or instrument, a certified copy of which is
filed in Permanent Order Book No. 277 at Page 6, Item 4

Group A Attorney

[Signature]

Signature
STENICK SILAVECKY
MANAGER

Name

Group B Attorney

[Signature]

Signature
PRATIBHA RANIGA
MANAGER

Name

MEMORANDUM OF LEASE

2000 134

CERTIFICATE(S) OF TITLE BEING LEASED

The whole of the land in C.L. Volume 1590 Folio 49 (the "Leased Area")

ESTATE AND INTEREST

Estate as Crown Lessee

ENCUMBRANCES

Lease No. 8774241

LESSOR (Full Name and Address)

PLANTATION LAND LIMITED A.C.N. 090 443 333 of Level 5, 95 Queen Street Melbourne Vic 3000 (the "Owner")

LESSEE (Full Name, Address and Mode of Holding)

TIMBERCORP LIMITED A.C.N. 055 185 067 of Level 5, 95 Queen Street Melbourne Vic 3000 (the "Lessee")

TERM OF LEASE

COMMENCING ON THE 24 March 2000

EXPIRING ON THE 31 December 2014

(together with the option to extend for a further 12 years pursuant Clause 8.1)

RENT AND MANNER OF PAYMENT (OR OTHER CONSIDERATION)

The rent specified in Item 2 of the Schedule as reviewed from time to time in accordance with Clause 4.2, to be paid on 30 June, 30 September, 31 December and 31 March during the Term.

OPERATIVE CLAUSE ^(a) delete the inapplicable.

The Lessor LEASES TO THE LESSEE the land ^(a) ABOVE / ~~HEREINAFTER~~ described and the LESSEE ACCEPTS THIS LEASE of the land for the term and at the rent stipulated, subject to the covenants and conditions expressed ^(a) herein / in Memorandum No. _____ and to the powers and covenants implied by the Real Property Act 1886 (except to the extent that the same are modified or negated below).

DEFINE THE LAND BEING LEASED INCORPORATING THE REQUIRED EASEMENT(S) ETC.

Not Applicable

IT IS COVENANTED BY AND BETWEEN THE LESSOR AND THE LESSEE as follows:
(Covenants, where not deposited, to be set forth on insert sheet(s) and securely attached)

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 4.2.

"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 8.1.

"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 4.2.

"Schedule" means the schedule at the back of this Lease.

"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;

- (h) where the word "include" or "includes" is used, it is to be read as if the expression "(but 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; and
- (i) if the Leased Area is of land comprised in a Crown Lease under the Crown Lands Act 1929, this Lease shall be deemed to be a sublease and, the estate and interest of the Owner in the land shall be as Crown Lessee under the Crown Lease.

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. CONDITIONS AND CONSENTS

3.1 Consents and approvals

This Lease is subject to and conditional upon the obtaining of the following consents and approvals to the satisfaction of the Lessee:

- (a) all local, State and Commonwealth government approvals, licences or permissions required for the establishment of the Plantation Crop, before planting seedling trees on the Leased Area; and
- (b) the consent to this Lease of all mortgagees and encumbrancees to the Leased Area in the form of consent in the back of this Lease or such other form as the Lessee reasonably requires.
- (c) in the event the Leased Area is part only of an allotment as defined by Part 19AB of the Real Property Act 1886, approval to this Lease under the Development Act 1993.
- (d) in the event the Leased Area is the whole or part of land under the Crown Lands Act 1929 and a lease or sublease of such land requires consent to be given under the Crown Lands Act 1929, consent under the Crown Lands Act 1929.

The conditions referred to in paragraphs (a), (b), (c) and (d) are deemed to be conditions subsequent.

3.2 Each party to use best endeavours to ensure conditions satisfied

Each of the parties will use its best endeavours to ensure that the conditions specified in Clause 3.1 are satisfied as soon as is reasonably practicable, and where required will keep the other party fully informed as to progress towards satisfaction of the conditions.

3.3 Failure of conditions

If any of the conditions referred to in Clause 3.1 are not satisfied, in the case of sub-clause 3.1(b), within one (1) month after the date of execution of this Lease and in all other cases, within twelve (12) months after the date of execution of this Lease, or such later date as the Lessee may agree, this Lease will be at an end and be deemed never to have been of any force or effect.

4. RENT

4.1 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.

4.2 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 8.2, 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.

NCPI is the Consumer Price Index (All Groups) for the Weighted Average of Eight Capital Cities as last published by the Australian Bureau of Statistics prior to the relevant Review Date.

CPI is the Consumer Price Index (All Groups) for the Weighted Average of Eight Capital Cities as last published by the Australian Bureau of Statistics prior to the immediately preceding Review Date or, in the case of the first review, as last published by the Australian Bureau of Statistics prior to the date of execution of this Lease.

4.3 Discontinuation or suspension of CPI

If the Consumer Price Index (All Groups): Weighted Average of Eight Capital Cities is discontinued or suspended, the method of review set out in Clause 4.2 will cease to apply and will be replaced with such alternative method as is mutually agreed between the Owner and the Lessee or, if the parties fail to agree, such alternative method as in the opinion of an expert appointed by the President for the time being of the Institute of Chartered Accountants (Victorian Division) at the request of either party most closely reflects changes in the cost of living for the Weighted Average of Eight Capital Cities. The cost of any expert determination carried out under this Clause will be borne equally between the parties.

5. THE LESSEE'S OBLIGATIONS

The Lessee agrees with the Owner that the Lessee will at the Lessee's expense during the Term:

5.1 Permitted use

Use the Leased Area for the purpose of growing, tending and harvesting a plantation or plantations of eucalyptus trees and deal with the Plantation Crop as the Lessee sees fit.

5.2 Forestry practice

Comply with sound silvicultural and environmental practices adopted within the forestry industry.

5.3 Comply with laws

Comply with all laws, by-laws and regulations relating to the use and occupancy of the Leased Area.

5.4 Repairs

Promptly repair any damage caused by the Lessee to any roads, tracks or fences on the Leased Area.

5.5 Chemicals and dangerous substances

Not store or use any chemical, inflammable, noxious or dangerous substances in a manner which is likely to result in damage to vegetation, livestock, crops or water reserves on any neighbouring land owned or occupied by the Owner.

5.6 Native vegetation

Not cut down, damage or destroy any native vegetation on the Leased Area without the prior written consents of the Owner.

5.7 Buildings

Not erect any buildings, structures or dwellings or use any caravans on the Leased Area for accommodation purposes.

5.8 Permit Owner to enter

Permit the Owner to enter upon the Leased Area from time to time with or without equipment for the purpose of performing the Owner's obligations under this Lease and for accessing neighbouring land owned or occupied by the Owner.

5.9 Indemnity

Indemnify the Owner from and against all claims, demands, proceedings, judgements, damages, costs and losses of any nature which the Owner may suffer or incur in connection with the loss of life and/or personal injury to any person or damage to any property wheresoever occurring or arising from an occurrence at the Leased Area or the use by the Lessee of the Leased Area during the Term except where the loss of life and/or personal injury or damage to property is the result of an act of default or neglect by the Owner or the Owner's invitees.

6. OWNER'S OBLIGATIONS

The Owner agrees with the Lessee that the Owner will at the Owner's expense during the Term

(a) Quite enjoyment

Allow the Lessee to peaceably and quietly hold and enjoy the Leased Area without any interruption by the Owner or any person claiming through or under the Owner.

(b) Rates and taxes

Duly and punctually pay or cause to be paid all rates, taxes and other charges levied by any government or other authority in respect of the Leased Area.

(c) Comply with laws

Comply with all laws, by-laws and regulations relating to the use and occupancy of any neighbouring land occupied by the Owner.

(d) Comply with mortgages, etc

Comply with the provisions of all mortgages, leases, licences and charges relating to the Leased Area.

(e) Chemicals and dangerous substances

Not store or use any chemical, inflammable, noxious or dangerous substances in a manner which is likely to result in damage to the Plantation Crop.

(f) Control of fires

Take all necessary measures to ensure that any fires which may occur or be lit on any neighbouring land owned or occupied by the Owner are properly controlled and supervised.

(g) Lighting of fires

Not without the prior written approval of the Lessee light any fires on the Leased Area.

(h) Notification of fires

Where reasonably practical, promptly notify the Lessee or its named contractor (if any) named on the entrance to the Leased Area of:

- (i) any fire in the vicinity of the Leased Area which may threaten the Plantation Crop; and
- (ii) any notice or notification received by the Owner from the owner or occupier of any adjoining land pursuant to any Act of Parliament or Regulation relating to bush fires.

7. THE LESSEE'S RIGHTS**7.1 General**

The Owner grants to the Lessee the rights set out in this part to be exercised by the Lessee during the Term.

7.2 Harvest

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.

7.3 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.

7.4 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.

7.5 Use of sand and gravel

For the purposes of constructing and maintaining the roads and tracks referred to in Clause 7.4 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 exercised 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.

7.6 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.

7.7 Security

Subject to Clause 5.8, 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.

7.8 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.

8. EXTENSION OF TERM

8.1 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 purposes 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.

8.2 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.

8.3 Definition of Force Majeure

In Clause 8.2, "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 and 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 South Australia or the government of the Commonwealth of Australia; or

(f) any Act of Parliament, regulation, by-law, order, ordinance or rule.

9. TERMINATION

9.1 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.

9.2 Termination upon Harvest

- (a) Until such time as the Term is extended under Clause 8.1 the Lessee may by giving not less than three (3) months prior notice in writing to the Owner terminate this Lease at any time after completion of the first harvest of the Plantation Crop.
- (b) In the event that the Term is extended under Clause 8.1 for the purpose of growing, tending and harvesting a further rotation of the Plantation Crop the Lessee may by giving not less than three (3) months prior notice in writing to the Owner terminate this Lease at any time after completion of the second harvest of the Plantation Crop.

9.3 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.

9.4 Effect of termination

Termination of the whole or any part of this Lease under this Part 9 will be without prejudice to any rights or obligations which may have accrued prior to the date of termination.

9.5 Limited right of termination

Except as expressly provided in this Part 9, neither Party shall be entitled to terminate or rescind this Lease and the Owner will not be 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).

10. RIGHTS AND OBLIGATIONS ON EXPIRATION OR TERMINATION

10.1 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 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 7.4,

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

10.2 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.

10.3 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 10.2 and any part of the Plantation Crop not harvested by the Lessee during the Term (as extended) will be the property of the Owner.

11. OWNERSHIP OF THE PLANTATION CROP AND CARBON CREDITS

11.1 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 9.1, 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 11.3.

11.2 Additional rights

The Owner 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.

11.3 Independent proprietary interest

- (a) The rights and interests granted to the Lessee under Clause 11.1 and 11.2 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 3, 8 or 9); or
 - (iii) becomes void whether by reason or 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 11.1 and 11.2, unless expressly surrendered by the Lessee, continue to 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.

12. DEALINGS

12.1 By the Owner

- (a) The Owner may sell, transfer, assign, lease, licence, mortgage, 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 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 interest of the Lessee under this Lease.

12.2 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,

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 shall relieve the Lessee from any obligations under this Lease.

(b) Assignment or transfer

Subject to Clause 12.2(a) and 12.2(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.

13. MINING AND PETROLEUM ACTIVITIES

13.1 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 Mining Act 1971 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 1940 and includes a permit to enter on private land.

13.2 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 shall 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.

13.3 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.

14. GENERAL

14.1 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.

14.2 Costs

- (a) Each party must pay its own costs of an 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.

14.3 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.

14.4 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.

14.5 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.

14.6 Real Property Act

To the extent permitted by law, all provisions implied in leases by the Real Property Act 1886 are expressly excluded from this Lease.

14.7 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 Clauses 12.2, 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.

14.8 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.

14.9 Proper law

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

14.10 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.

14.11 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.

14.12 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.

15. 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 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**Item 1 Leased Area**

The whole of the land in C.L. Volume 1590 Folio 49.

Item 2 Annual Rent:

The sum of ONE HUNDRED AND SIXTEEN THOUSAND ONE HUNDRED DOLLARS (\$116,100.00) per annum fixed during the period from the Commencement Date to 30 June 2008. Thereafter the annual rent will be adjusted in accordance with clauses 4.2 and 4.3

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 24 March 2000 (the "Commencement Date") and expiring on the earliest of:

- (a) 31 December 1014; and
- (b) the date harvesting of the Plantation Crop is completed for the first time.

CONSENTS OF MORTGAGEES AND SECTION 32 DEVELOPMENT ACT 1993 CERTIFICATION
Not Applicable.

DATED 11th July 2000

EXECUTION

The Common Seal of PLANTATION LAND
LIMITED was hereunto affixed



In the presence of

Director

Secretary

The Common Seal of TIMBERCORP
LIMITED was hereunto affixed



In the presence of

Director

Secretary

8942015

LANDS TITLES REGISTRATION
OFFICE
SOUTH AUSTRALIA


MEMORANDUM OF LEASE

FORM APPROVED BY THE REGISTRAR-GENERAL

LESSORS COPY

BELOW THIS LINE FOR AGENT USE ONLY

CERTIFIED CORRECT FOR THE PURPOSES
OF THE REAL PROPERTY ACT 1886


Solicitor/Registered Conveyancer/Lessee
C.A. Ivanovic & Co.

AGENT CODE

Series No.	Prefix
	L

Lodged by:

BELOW THIS LINE FOR OFFICE USE ONLY

Date:	Time:	
FEES		
R.G.O.	POSTAGE	NEW C.T.

Correction to:

C.A. Ivanovic & Co. CAMP
TITLES, CROWN LEASES, DECLARATIONS ETC. LODGED WITH
INSTRUMENT (TO BE FILLED IN BY PERSON LODGING)

- 1.....
- 2.....
- 3.....
- 4.....
- 5.....

Assessor

PLEASE ISSUE NEW CERTIFICATE(S) OF TITLE AS FOLLOWS

- 1.....
- 2.....
- 3.....

CORRECTION

PASSED

REGISTERED

5 JAN 2001

REGISTRAR-GENERAL

Lic. No. 3 Jan 2000

DELIVERY INSTRUCTIONS (Agent to complete)

PLEASE DELIVER THE FOLLOWING ITEM(S) TO THE UNDERMENTIONED AGENT(S)

ITEM(S)	AGENT CODE