

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

S CI 2011

IN THE MATTER OF TIMBERCORP SECURITIES LIMITED (IN LIQUIDATION) (ACN 092 311 469) AND TIMBERCORP LIMITED (IN LIQUIDATION) (ACN 055 185 067)

**TIMBERCORP SECURITIES LIMITED (IN LIQUIDATION)
(ACN 092 311 469) IN ITS CAPACITY AS RESPONSIBLE
ENTITY OF THE MANAGED INVESTMENT
SCHEME LISTED IN SCHEDULE 1 AND ORS
ACCORDING TO THE SCHEDULE**

First Plaintiff

CERTIFICATE IDENTIFYING EXHIBIT

Date of document: 17 February 2011
Filed on behalf of: the Plaintiffs

Prepared by:
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(Bridget Slocum - bslocum@ab.com.au)

This is the exhibit marked "MAK-7" now produced and shown to **MARK ANTHONY KORDA** at the time of swearing his affidavit on 17 February 2011.

MEAGAN LOUISE GROSE
Arnold Bloch Leibler
Level 21, 333 Collins Street
Melbourne 3000

An Australian Legal Practitioner within the
meaning of the Legal Profession Act 2004

Before me: _____

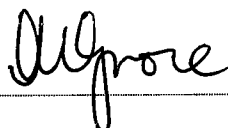


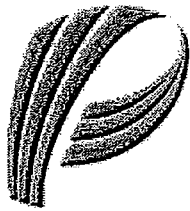
Exhibit "MAK-7"

**Bundle of documents in relation to the insurance
contract between Allianz Australia Insurance Limited
and Timbercorp Limited**

Filed on behalf of the Plaintiffs
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8
MAK-7



primacy
insurance for all seasons

Plantation Timber Insurance

Policy Wording

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1. Contact Details

Primacy Underwriting Agency Pty Ltd
Level 1, 61 Lavender Street,
Milsons Point,
NSW 2061
P O Box 6230,
North Sydney
NSW 2059
ABN 42 092 738 997 AFS Licence 244235

Telephone:

(02) 9923 4300

Fax:

(02) 9923 4333

Website:

www.primacyua.com.au

Email:

primacy@primacyua.com.au

2. Important Information

Please read the following information carefully.

About Your Policy

This is Your Plantation Timber Policy wording. Along with the Schedule of Insurance, it contains all relevant information about the type of cover provided, conditions, exclusions and how to make a claim.

You must read this wording carefully in conjunction with the Schedule of Insurance, and ensure You understand the cover offered and also to ascertain that it meets Your requirements.

If You have any queries about this Policy or Your insurance cover, You should contact Your insurance broker.

Primacy Underwriting Agency and Your insurance Policy

Primacy Underwriting Agency Pty Ltd ABN 42 092 738 997, AFS Licence 244235 is an underwriting agent. In transacting this Policy, Primacy is acting as the agent of the insurer, not as Your agent. Your Policy is covered by Allianz Australia Insurance Limited ABN 15 000 122 850, AFS Licence 234708 of 2 Market Street, Sydney, NSW 2000.

Limit of liability

Sections of this Policy may have sub-limits. You must read this Policy wording and make sure You understand these sub-limits. Under no circumstances will Our liability exceed the limits shown in this Policy wording and Your Schedule of Insurance.

Your Duty of Disclosure

Before You enter into an insurance contract with Us, the *Insurance Contracts Act 1984* requires You to provide Us with the information We need to enable Us to decide whether and on what terms Your Application for insurance is acceptable and to calculate how much premium is required for Your insurance.

The Act imposes a different duty the first time You enter into the policy with Us to that which applies when You vary, renew, extend, reinstate or replace Your policy. We set these two duties out below.

Your duty of disclosure when You enter into this Policy with Us for the first time.

You will be asked various questions when You first apply for this Policy. When You answer these questions You must:

- give Us honest and complete answers,
- tell Us everything You know, and
- tell Us everything that a reasonable person in the circumstances could be expected to tell Us.

Your duty of disclosure when You renew, vary, extend, reinstate or replace Your policy.

When You renew, vary, extend, reinstate or replace the Policy Your duty is to tell Us before the renewal, variation, extension, reinstatement or replacement is made every matter known to You which:

- You know, or
- a reasonable person in the circumstances could be expected to know,
- is relevant to Our decision whether to insure You and whether any special conditions need to apply to Your Policy.

What You do not need to tell Us for either duty.

You do not need to tell Us about any matter:

- that diminishes Our risk,
- that is of common knowledge,
- that We know or should know as an insurer, or
- that We tell You We do not need to know.

Who do the above two duties apply to?

Everyone who is insured under the Policy must comply with the relevant duty.

What happens if You or they do not comply with either duty?

If You or they do not comply with the relevant duty, We may cancel the Policy or reduce the amount We pay if You make a claim. If fraud is involved, We may treat the Policy as if it never existed and pay nothing.

Excess

This Policy is subject to Excesses. Information about Excesses and how they apply to Your Policy can be found in the Schedule of Insurance and in this Policy wording.

You must insure Your whole Plantation

You must insure Your whole Plantation. See Section 9.12 for details of what happens if You do not insure Your whole Plantation.

Basis on which We insure You

We agree to provide insurance protection in accordance with this Policy wording and the coverage You have been offered by Us and confirmed Your acceptance of, provided You have paid or agree to pay the required premium.

Not a renewable Policy

This is not a renewable contract of insurance. If you require cover in subsequent years it will be necessary for You to re-apply.

3. Privacy Information

For the purposes of this clause, We, Us and Our means Primacy Underwriting Agency Pty Ltd and Allianz Australia Insurance Limited.

We are required to comply with state and federal privacy legislation, which covers the collection, handling, storage and disclosure of Your personal information (including sensitive information).

In the course of providing products and services, We may, in certain circumstances, disclose Your personal information (including sensitive information) to third parties (such as other insurers, reinsurers, Loss Adjusters, external claims data collectors, Your employer, insurance reference bureaus, investigators, and intermediaries or other parties as required by law) in order to:

- decide whether to issue a Policy;
- determine the terms and conditions of a Policy;
- compile data;
- assess and verify Your current and subsequent insurance applications and details;
- create, underwrite, price and issue a Policy;
- administer and maintain a Policy; and
- investigate, verify, assess, manage and pay a claim.

You do not provide the relevant personal information We may not be able to do business with You.

Where You provide Us with personal information about other individuals, You must be authorised to provide that information and agree to inform them of the information contained within this privacy statement.

We aim to ensure that Your personal information is accurate, up to date and complete. Please contact Us on (02) 9923 4300 Sydney time 9am - 5pm, Monday to Friday if You would like to seek access to this information or in order to revise any information We have on record that is incorrect or incomplete. If You have any issues regarding the way We have handled Your personal information You may contact Us. All complaints are managed through Our internal Privacy Complaint Procedure. Should You wish to obtain further information about Our privacy policies, please contact Us on (02) 9923 4300 Sydney time 9am - 5pm, Monday to Friday.

From time to time We may provide You with information on other products or services that may be relevant and of interest to You. If You do not wish to receive this advice, please call Us on (02) 9923 4300 Sydney time 9am - 5pm, Monday to Friday.

4. General Insurance Code of Practice

The General Insurance Code of Practice was developed by the Insurance Council of Australia to further raise standards of practice and service across the insurance industry. We keenly support the standards set out in the Code. You can obtain more information on the Code of Practice and how it assists You by contacting Us on (02) 9923 4300 9am-5pm Sydney time, Monday to Friday.

Dispute resolution process - helping You solve any problems

Complaints or disputes are not an everyday occurrence at Primacy Underwriting Agency Pty Ltd. We strive to do things the right way and meet Our customers expectations.

Sometimes though, complaints or disputes do occur and when this happens, Our objective is to resolve any disagreement as amicably and as quickly as possible. We believe the best way to achieve this is to provide You with an opportunity for an unbiased review of the issue.

Here is what to do if a complaint or dispute arises

Regardless of whether the complaint or dispute involves Our staff, an intermediary, Loss Adjuster, assessor, investigator or the service We provide, simply contact Us on (02) 9923 4300 Sydney time 9am-5pm, Monday to Friday and ask to speak to the team leader and provide them with the details of the issue concerning You. They will attempt to resolve the complaint or dispute; if they are unable to do so they will log it and refer it to the appropriate business unit for resolution.

Within Our organisation We have established a complaints and disputes resolution process. This is a free service. It is a system designed to log, track, escalate and monitor complaints received from clients and customers about Our services and products. A staff member involved in the complaints and disputes resolution process will write to You within fifteen (15) working days advising the outcome of the review and reasons for their decision. We do not consider a complaint or dispute to be resolved until a proposed resolution or solution has been communicated to You and You have accepted the resolution or solution.

If You are not satisfied with the outcome of this process

If We are unable to resolve the complaint or dispute, We will offer You the option of referring the matter to the insurance industry's external independent complaints scheme (subject to eligibility). The scheme will only review complaints or disputes if they have gone through Our internal complaints and disputes resolution process.

5. Definitions

For the purpose of this Policy and any other documentation provided by Us, which attaches to and forms part of this insurance the definition provided in this section will apply.

Additional Expenses:

Are costs incurred by You that are necessarily and reasonably incurred for the purposes of extinguishing a fire or for the purpose of removing and disposing of Destroyed Trees or losses to Trees as a direct result of backburning in order to minimise the size of a claim. These Additional Expenses are explained in further detail in Section 6.3.1 Additional Expenses.

Application:

The form completed and signed by You and sent to Us giving details of the Trees to be insured.

Block:

Is an area or compartment of land planted with Trees of the same age and species that You have individually defined in the Application and is specified in the Schedule of Insurance.

Block Declared Value:

Is specified in the Schedule of Insurance and calculated by multiplying the Declared Value per Hectare by the area of each Block.

Declared Value per Hectare:

Is the agreed value per hectare for Trees specified in the Schedule of Insurance

Destroyed:

A Tree is deemed to be destroyed when as a direct consequence of an insured event(s), as described in Section 6.2 Insured Events, the Tree is damaged to such an extent that within six (6) months of the event the Loss Adjuster determines that as a direct consequence of the insured event and subject to no other cause intervening not covered by this Policy the Tree is no longer suitable for the Intended Purpose for which it was being grown.

Excess:

Is the amount and or percentage applied to the sum of Block Declared Value and any amount for replanting costs, specified in the Schedule of Insurance, which You must first bear in the event of a claim. The Excess is applied separately to each and every Loss Occurrence.

Felled Timber:

Means Trees that have been felled for future processing and remain temporarily for a period of up to 60 days after felling within or adjacent to the Block in which they were grown.

Impact:

A collision between Trees and any of the following:

- (a) a road or rail vehicle; or
- (b) an aircraft or anything dropped or falling from an aircraft, space debris or debris from a rocket or satellite.

Insured:

The person or entity specified in the Schedule of Insurance as the Insured.

Insured Interest:

The percentage interest You have in the Blocks as specified in the Schedule of insurance.

Intended Purpose:

Is the end use of the Tree(s) following harvesting as specified in the Schedule of Insurance.

Limit of Liability:

Is the maximum amount We will pay in the Period of Insurance as specified in the Schedule of Insurance.

Local Time:

The applicable time zone currently being observed for the state in which the Plantation(s) are located. When the Plantations are located or spread over multiple states then the time zone being observed closest to Australian Eastern Standard Time (AEST) applies.

Loss Adjuster:

The person or entity appointed by Us to evaluate claims made under this Policy.

Loss Occurrence:

Means all individual losses or series of losses arising out of and directly occasioned by one event. The duration and extent of any one loss occurrence in respect to specific insured events is:

- (a) 24 consecutive hours as regards hail;
- (b) 168 hours for fire occurring from any one ignition point;
- (c) 24 consecutive hours as regards Malicious Acts and Impact;
- (d) 24 consecutive hours as regards windstorm.

Malicious Acts:

A deliberate act by a person or persons resulting in damage to or destruction of Trees other than acts caused by:

- (a) You or any person who is acting with Your express or implied consent;
- (b) Your tenants;
- (c) Your employees;
- (d) The invitees of You, Your employees or Your tenants.

Period of Insurance:

The period specified in the Schedule of Insurance, beginning 72 hours after 9.00am Local Time on the day We receive confirmation of Your acceptance of Our Quotation and ending at 9.00am Local Time on the expiry date specified in the Schedule of Insurance.

Plantation(s):

Is an identifiable area of land where the Blocks containing Trees or from where the Trees originated from specified in the Schedule of Insurance are located. All forests or blocks of trees owned or managed by You within 2km of each other at the nearest point of live trees will be considered part of the same Plantation.

Policy:

Where referred to here, means the complete contract between Us and You including the latest Schedule of Insurance, Policy wording, Application, Quotation and any supplementary information provided by You or Us.

Quotation:

The documentation provided by Us following our receipt of the Application giving the details of Our offer of insurance.

Schedule of Insurance:

Is the attachment which forms part of this Policy, showing Your Policy number, together with important details of cover. If Your Policy is altered We will issue a new Schedule of Insurance to replace the current schedule.

Salvage:

Is any net income received from the sale or disposal of Trees; deemed Destroyed as a direct consequence of an insured event; or from an area deemed to be a constructive total loss.

Tree(s):

The individual standing species specified in the Schedule of Insurance including Felled Timber.

Total Declared Value:

Is the amount specified in the Schedule of Insurance.

We / Us / Our:

Means Allianz Australia Insurance Limited ABN 15 000 122 850 AFS Licence 234 708.

You / Your / Yourself:

Means the Insured named in the Schedule of Insurance.

6. What We Insure

6.1 Important information

All Loss Occurrences must commence during the Period of Insurance. Claims will be settled in accordance with Section 7. What We Will Pay. We will not pay more than the Limit of Liability specified in the Schedule of Insurance in the Period of Insurance.

6.2 Insured events

We will insure You against Your Trees being Destroyed directly by:

- fire including lightning,
- hail,
- Malicious Acts,
- Impact.

6.2.1 Windstorm (optional insured event)

The Schedule of Insurance will show if You have selected to include cover for windstorm.

We will insure You against Your Trees being Destroyed directly by windstorm.

6.2.2 Conditions applying to all insured events

The insured event(s) must commence during the Period of Insurance.

The most We will pay during the Period of Insurance for both Malicious Acts and Impact is the lesser of the amount specified in the Schedule of Insurance for Malicious Acts and Impact or \$250,000.

Separate sub-limits may apply to each insured event which will be stated in the Schedule of Insurance. We will not pay more than the sub-limit for that insured event during the Period of Insurance.

6.3 Additional benefits

6.3.1 Additional Expenses

We will pay You for Additional Expenses:

(a) that are necessarily and reasonably incurred for the purpose of extinguishing fire at or in the immediate vicinity of the Plantation where such fire poses an obvious and direct threat to the Trees;

(b) that are necessarily and reasonably incurred for the purpose of removing and disposing of Destroyed Trees where these costs have been agreed with the Loss Adjuster prior to the expense being incurred. We will not pay the cost of felling and/or destruction of Your or any other parties undamaged Trees in order to obtain access to any Trees that are the subject of a claim for the purpose of removal of Destroyed Trees or Salvage recovery

(c) for the Trees being Destroyed as a direct consequence of backburning that are necessarily and reasonably incurred for the purpose of preventing the spread of an unplanned fire where such a fire poses an obvious and direct threat to the Trees.

The most We will pay during the Period of Insurance for all Additional Expenses is the lesser of \$100,000 or 10% of the Total Declared Value, or the amount specified in the Schedule of Insurance for Additional Expenses.

The Excess is applicable to claims for Additional Expenses.

6.3.2 Claims preparation costs

We will pay for reasonable professional fees and expenses as may be payable by You for the preparation of claims made under the Policy. We will only pay where We also agree that You have suffered an insured event covered by the Policy.

The most we will pay during the Period of Insurance for claim preparation costs is \$10,000 or the amount specified in the Schedule of Insurance for claims preparation costs.

The Excess is applicable to claims for claims preparation costs.

6.4 Optional cover

The Schedule of Insurance will show if the following option applies.

6.4.1 Replanting costs

The Schedule of Insurance will show if You have selected to include cover for replanting costs.

We will pay up to the amount specified in the Schedule of Insurance for the necessarily and reasonably incurred cost of replanting trees of the same species as those Destroyed for the areas declared a constructive total loss where these costs have been agreed with the Loss Adjuster prior to the expense being incurred. See Section 7.2 Constructive Total Loss for an explanation of this term.

The most We will pay for replanting costs in any Period of Insurance is the amount per hectare specified in the Schedule of Insurance for replanting costs for each hectare declared a constructive total loss. The Excess is applicable to claims for replanting costs.

A separate sub-limit may apply to replanting costs as specified in the Schedule of Insurance.

Should You decide not to replant the area within 12 months of the Loss Occurrence no benefit is payable under this optional cover.

7. What We Will Pay

7.1 Calculation of the claim amount

We will pay the sum of Block losses, plus any amount for additional benefits, plus any amount for the optional cover if selected, less any salvage and less the Excess as specified in the Schedule of Insurance.

The Block loss is calculated by multiplying the percentage of Trees Destroyed per Block as determined by the Loss Adjuster by the Block Declared Value.

The calculation of the claim amount will be subject to the sub-limits for each insured event, each additional benefit and the optional cover.

We will not pay more than the Limit of Liability specified in the Schedule of Insurance in the Period of Insurance.

7.2 Constructive total loss

Where the Loss Adjuster determines that more than 75 percent of Trees in a nominated contiguous area within any Block are Destroyed, the nominated contiguous area of Destroyed Trees will be declared a constructive total loss and the claim will be calculated based on a percentage of Trees Destroyed per Block of 100%.

However, if you elect not to abandon the damaged area and remove the Destroyed Trees or Vines we will not pay more than the percentage damage as determined by the Loss Adjuster.

7.3 Insured Interest

Claims will be adjusted to reflect the Insured Interest.

7.4 Goods and Services Tax

GST Notice

This policy has a GST provision in relation to premium payments and our payment to You for claims. It may have an impact on how You determine the amount of insurance You need. Please read the Policy wording carefully. Seek professional advice if You have any queries about GST and Your insurance.

Total Sum Insured

All monetary limits in this Policy may be increased for GST in some circumstances (see below).

Claim settlements – where we agree to pay

When We calculate the amount We will pay You, We will have regard to the items below:

- Where You are liable to pay an amount for GST in respect of an acquisition relevant to Your claim (such as services to repair a damaged item covered under the Policy) We will pay for the GST amount.
- We will pay the GST amount in addition to the Total Sum Insured/Limit of liability or other limits shown in the Policy or in Your current Schedule of Insurance.
- If Your Total Sum Insured/Limit of liability is not sufficient to cover Your loss, We will only pay the GST amount that relates to Our settlement of Your claim.

- We will reduce the GST amount We pay for by the amount of any input tax credits to which You are or would be entitled.
- Where We make a payment under this Policy as compensation instead of payment for a relevant acquisition, We will reduce the amount of the payment by the amount of any input tax credit that You would have been entitled to had the payment been applied to a relevant acquisition.
- Where the Policy insures business interruption, We will (where relevant) pay You on Your claim by reference to the GST exclusive amount of any supply made by Your farm business that is relevant to Your claim.

Disclosure – input tax credit entitlement

If You register, or are registered, for GST, You are required to tell Us Your entitlement to an input tax credit on Your premium. If You fail to disclose or understate Your entitlement, You may be liable for GST on a claim We may pay. This Policy does not cover You for this GST liability, or for any fine, penalty or charge for which You may be liable.

8. Exclusions

We will not pay for any loss of any type caused directly or indirectly by:

- Rainfall or flood. Flood means the inundation of normally dry land by water that has escaped or been released from the normal water confines of any natural watercourse, lake or lagoon whether or not altered or modified, or any reservoir, canal or dam.
- A deliberate act ordered or carried out by you or by any person acting with your permission, except when it is to avoid or reduce damage that would otherwise happen;
- Soil erosion, subsidence or landslip, or any earth movement whether naturally or artificially caused;
- Disease, unless caused solely and directly by an Insured Event(s);
- Any consequential loss howsoever caused, unless specifically provided for in this Policy;
- Gradual deterioration, decay, contamination, animals, birds, pests (including uninsured plant species), termites, vermin, insects, larvae or disease howsoever caused;
- Chemicals;
- War or warlike activities, including the use of military power, invasion, other hostile acts or a foreign power whether war be declared or not, civil war, insurrection, rebellion, revolution and usurped power;
- Expropriation, i.e. lawful seizure, resumption, confiscation, nationalisation or requisition;
- The use, existence or escape of nuclear material, or ionising radiation from, or contamination by radioactivity from any nuclear fuel or nuclear waste from the combustion of nuclear fuel, including any self sustaining process of nuclear fission or fusion;
- Earthquake, volcanic eruption or subterranean fire;
- The actions of persons taking part in riots or civil commotions, or taking part in labour disturbances or persons of malicious intent acting on behalf of or in connection with any political organisation;
- Any movement in value or price of the Trees insured;
- Any intentional acts of force or violence that are committed threatened or feared to be committed by any person(s), group of persons, organisation or criminal associations against the life, health or property of those attending the event, of the organisation of the event including all persons and companies involved in its organisation, including the actors, as well as of the owners(s) of the venue;
- Any act of terrorism. Notwithstanding anything contained in this policy or any endorsement attached to it, this policy excludes loss, damage, liability, cost or expense of any nature directly or indirectly caused by, resulting from or in connection with any act of terrorism, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this policy an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), which from its context is done for, or in connection with political, religious, ideological, ethnic or similar purposes including the intention to influence government and/or the public, or any section of the public in fear.

This also excludes loss, damage, liability, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in anyway relating to any act of terrorism.

9. General Conditions

9.1 Other Insurances

You must give notice to Us of any other insurance or insurances which cover any or all of the Trees against loss or damage also covered by this Policy.

9.2 Time of settlement of claims

Claims will be settled as soon as possible after the Loss Adjuster has been able to determine the extent of Your loss and the value of salvage (if any). Additional Expenses agreed with the Loss Adjuster will be reimbursed after such expenses have been incurred.

No claim will be paid until You have paid Your premium.

9.3 Assignment of interest

If You wish to transfer Your interest in the Plantation(s) to another person or entity and advise Us in writing before that event, We will transfer Your interest in the Policy to that person or entity provided that:

- You are not then in breach of any of the provisions of this Policy
- The person or entity agrees to be bound by all of the provisions of this Policy, and
- The person or entity is, in Our sole and absolute discretion, acceptable to Us as an Insured.

9.4 Cancellation

You may cancel this Policy at any time by giving Us written notice, but You will not be entitled to receive any refund of premium.

We may cancel this Policy in accordance with Section 60 of the Insurance Contracts Act 1984. Upon cancellation by Us, a proportionate refund of premium will be paid based on the unexpired Period of Insurance, provided that the circumstances have not then arisen entitling You to make a claim. The calculation of the refund of premium will be weighted according to the seasonal nature of the insured events.

9.5 Good management

This Policy is issued to You on the understanding that You will take all reasonable steps necessary to employ best management practices including protection and preservation of Trees both before and after any loss. Failure to do so may mean We can reduce or avoid any claim.

9.6 False claims

If a claim is in any respect fraudulent or if any fraudulent means or devices are used by You or anyone acting on Your behalf to obtain any benefit under this Policy or if any destruction or damage is occasioned by Your wilful act or with Your connivance, all benefits under this Policy shall be forfeited.

9.7 Subrogation

Subject to the Insurance Contracts Act 1984 We have the right to recover any money paid by Us from any other person against whom You may be able to claim and We shall have full discretion in the conduct, defence or settlement of any claim in Your name. You must not hinder these rights and must give full information and co-operation that We may require.

9.8 Preventing our right of recovery

Where another person is liable to compensate You for any loss, destruction or damage which is covered by this Policy but You have agreed not to seek recovery of any monies from that person, We will not cover You under this Policy for that loss, damage or liability.

9.9 Third party interests

You must inform Us of the interests of all third parties (e.g. financiers, lessors etc) to be covered by this Policy. We will protect their interests only if You have informed Us of them and We have noted them in the Schedule of Insurance.

9.10 Inspection of records

You must give us all reasonable assistance including access to records (including those held by third parties) to verify Your Tree production or to assist in calculating Your claim.

9.11 Changes to the Declared Value per Hectare

We will not accept any decrease in the Declared Value per Hectare. We may accept an increase in the Declared Value per Hectare, which You submit in writing and We consider to be reasonable. Alterations to the Declared Value per Hectare will take effect 72 hours after acceptance by Us of Your request. We will not accept any increase in the Declared Value per Hectare after any event which may lead to a claim.

9.12 You must insure Your whole Plantation

If the area of Trees of the type insured by this Policy and grown in the Plantation is found to be more than 5% greater than the area that is specified in the Schedule of Insurance then You shall be considered as being Your own Insurer for the difference and shall bear a rateable proportion of the loss accordingly.

9.13 Areas declared a constructive total loss.

Cover will cease for all areas or blocks declared a constructive total loss. Should You require cover for any subsequently planted trees You will need to request further cover and pay any additional premium.

10. Making A Claim

On the happening of any loss or damage covered by this Policy, You must give notice to Us within forty-eight (48) hours stating, the time when the loss or damage occurred, the cause, a description of the insured Plantation which is the subject of the claim, an estimate of the nature and extent of the damage and details of any other insurances under which You are entitled to claim for the same loss or damage.

You must give Us all reasonable assistance that We may require to assess the nature and extent of the loss or damage and all such proof and information that We or Our appointed representative may require to prove the nature and extent of the loss, verified on oath if necessary.

When notifying a claim You should contact Primacy Underwriting Agency as follows:

Telephone:	(02) 9923 4300, or
Facsimile:	(02) 9923 4333, or
Email:	claims@primacyua.com.au , or
Web:	www.primacyua.com.au



INSURANCE RENEWAL CONFIRMATION

TYPE: PLANTATION INSURANCE

INSURED: Timbercorp Limited and investors in their various projects plus interested parties to be defined and declared at inception of the policy.

INTEREST: Tasmanian Blue Gums grown in declared plantations

PERILS: Fire including Lightning, Hail, Malicious acts, impact and wind storm.

ADDITIONAL BENEFITS:

- Fire suppression costs
- Removal of debris
- Backburning

\$2,000,000 in the annual aggregate.

PERIOD OF INSURANCE: 1st October 2008 to 1 October 2009

LOCATIONS: Predominantly the Green Triangle Region of south East South Australia and south west Victoria and the Albany Region in south western Western Australia

SUM INSURED PER HA:

PLANTING YEAR	BASE SI/HA	TOP UP SI/HA
1997	\$7,050.00	
1998	\$7,757.78	
1999	\$7,220.68	
2000	\$7,099.07	
2001	\$7,324.19	
2002	\$6,477.89	
2003	\$6,085.98	
2004	\$5,779.86	
2005	\$5,444.96	\$2,062.57
2006	\$5,174.25	\$3,225.75
2007	\$4,893.00	\$3,507.00
2008	\$1,800.00	

2/3



AgriRisk

AREA OF THE ESTATE: 85,901.40ha

SUM INSURED: Refer to Schedule which summarises the sum insured by planting date, project, state and plantation.

TOTAL SUM INSURED: Based on 100% participation the Total Sum Insured is

Base Cover	\$553,213,898
Top Up Cover	\$47,729,008
Total	\$600,942,905

Estimated participation rate = 95%

QUANTIFIED PML: The PML for each peril is as follows;

- Fire \$124.4m (current)
- Wind storm \$2.60m (2006)
- Hail \$0.63m (\$2006)

LIMIT OF LIABILITY:

Limits are any one loss and in the annual aggregate

PERILS	LIMITS
Fire	\$100m
Wind	\$10m
Hail	\$2m
Malicious Acts & Impact	\$2m

EXCESS: \$250,000 each and every event

PREMIUM RATE: 0.459% of TSI Plus GST and Statutory Charges

DEPOSIT PREMIUM: Deposit Premium is based on 100% participation.

Premium	\$2,758,327.94
GST	\$275,832.79
<i>Sub Total</i>	<i>\$3,034,160.73</i>
Stamp Duty	\$185,435.27
Total Premium	\$3,219,596.00

PAYMENT TERMS: Premium is required by 31 October 2008

3/3



AgriRisk

**ADJUSTMENT
PREMIUM:**

Timbercorp to provide AgriRisk with a list of investors that are "opting out" of the insurance by 15 December 2008.

The insurers will then process a return premium in respect of those investors.

**LATE
APPLICATIONS:**

Investors that decide to pursue coverage after 15 December will be managed by AgriRisk on a direct basis.

POLICY:

Primacy Plantation Insurance Policy with agreed Endorsements

INSURER:

Allianz Australia Insurance Limited

**FINANCIAL
STRENGTH
RATING:**

Allianz have a Standard & Poor's Financial Strength Rating of AA-/Stable

LOSS ADJUSTER: ALM Group



Pacific Premium Funding Pty Ltd

Premium Funding Quotation

Quote : 40025961/02

Quote Date : 29/09/2008

Attention: Mr Mark Pryn	Fax Number: 03 9670 4271
Company Name:	
Insured/Legal Name: Timbercorp Limited	

We have pleasure in providing you with the following quotation. Kindly ensure that all funding terms are as per your instructions.

Total Premiums	\$3,297,460.60	Number of Instalments	12
Less Deposit	\$.00	Instalment Amount	\$290,011.47
Amount Financed	\$3,297,460.60	First Instalment Date	01/10/2008
Credit Charges	\$182,677.05	Final Instalment Date	01/09/2009
Total Amount Repayable	\$3,480,137.65	Flat Percentage Rate	5.5399%
Application Fee	\$120.00		
Stamp Duty	\$.00		

Initial payment representing 1 instalment/s (including any application fees and stamp duty) of \$290,131.47.

If you are satisfied with the above quote, please transpose the exact details shown above to the Commercial Loan Application, or contact our office for documentation. (Any adjustments should be referred to our office).

This quotation is valid for 14 days from the Quote Date and please note the following:

This quote is subject to receipt of all required documentation, and;

The latest authorised financial information including balance sheet and profit and loss statements may be required to support this application.

Special Notes:

From: Deidre McCallum

SYDNEY
PO Box 3226,
Sydney NSW 2001
Phone: 02 9253 3000
Fax: 02 9253 3001

MELBOURNE
PO Box 6205,
St. Kilda Rd Central
Melbourne VIC 8008
Phone : 03 9536 7400
Fax : 1300 555 158

BRISBANE
GPO Box 253,
Brisbane
QLD 4001
Phone : 07 3854 3900
Fax : 07 3854 3901

ADELAIDE
PO Box 670,
Fullarton SA 5063
Phone : 08 8273 5700
Fax : 08 8273 5701

PERTH
Unit 9, 100 Railway Rd
Subiaco WA 6008
Phone : 08 9489 0000
Fax : 08 9489 0011



AgriRisk

PLACEMENT SLIP

TYPE:	PLANTATION INSURANCE																										
POLICY:	Primacy Plantation Insurance Policy with agreed Endorsements																										
INSURED:	Timbercorp Limited and investors in their various projects plus interested parties to be defined and declared at inception of the policy.																										
INTEREST:	Tasmanian Blue Gums grown in declared plantations																										
PERILS:	Fire including Lightning, Hail, Malicious acts, impact and wind storm.																										
ADDITIONAL BENEFITS	<ul style="list-style-type: none"> • Fire suppression costs • Removal of debris • Backburning <p>\$2,000,000 in the annual aggregate.</p>																										
PERIOD OF INSURANCE:	1 st October 2008 to 1 October 2009																										
LOCATIONS:	Predominantly the Green Triangle Region of south East South Australia and south west Victoria and the Albany Region in south western Western Australia																										
SUM INSURED PER HA	<table border="1"> <thead> <tr> <th>Year</th> <th>Sum Insured</th> </tr> </thead> <tbody> <tr><td>1997</td><td>\$7,050.00</td></tr> <tr><td>1998</td><td>\$7,751.73</td></tr> <tr><td>1999</td><td>\$7,220.68</td></tr> <tr><td>2000</td><td>\$7,099.07</td></tr> <tr><td>2001</td><td>\$7,624.19</td></tr> <tr><td>2002</td><td>\$6,477.89</td></tr> <tr><td>2003</td><td>\$6,085.98</td></tr> <tr><td>2004</td><td>\$5,779.86</td></tr> <tr><td>2005</td><td>\$5,424.96</td></tr> <tr><td>2006</td><td>\$5,174.25</td></tr> <tr><td>2007</td><td>\$4,898.00</td></tr> <tr><td>2008</td><td>\$1,800.00</td></tr> </tbody> </table>	Year	Sum Insured	1997	\$7,050.00	1998	\$7,751.73	1999	\$7,220.68	2000	\$7,099.07	2001	\$7,624.19	2002	\$6,477.89	2003	\$6,085.98	2004	\$5,779.86	2005	\$5,424.96	2006	\$5,174.25	2007	\$4,898.00	2008	\$1,800.00
Year	Sum Insured																										
1997	\$7,050.00																										
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2008	\$1,800.00																										



PLANTATION INSURANCE SCHEDULE OF INSURANCE

BROKER INFORMATION

Broker: John van der Vegt
Servicer: AgriRisk Services - Sydney
Postal Address: PO Box 1434, North Sydney, NSW, 2059

Telephone: 02 9965 1100
Fax: 02 9965 1111

INSURED INFORMATION

Name of Insured: Timbercorp Limited
Interested Parties: To be advised

ABN: 87 055 185 067
ITC% 100%

COVER INFORMATION

Wording:	PTIW0809	Sub-limits (including replant costs):	
Policy Number:	TIMB2655-0809	Fire:	\$100,000,000
Insured Events:	Fire, Hail, Windstorm, Impact damage and Malicious acts	Hail:	\$2,000,000
Optional Covers:	Not Insured	Windstorm:	\$10,000,000
Cover Attaches:	9am, 1/10/2008	Impact damage & Malicious acts:	\$2,000,000
Cover Ceases:	9am, 1/10/2009	Total Replant Costs:	\$0
Total Declared Value:	\$ 571,147,777	Aggregate Additional Benefits Limit of liability from all insured events:	\$2,000,000
Limit of Liability:	\$ 102,000,000		
Excess:	\$ 250,000 for each and every Loss Occurrence		

PREMIUM INFORMATION

	Revised Total	Initial Premium	This Endorsement
Premium:	\$ 2,655,892.97	\$ 2,758,467.91	-\$ 102,574.94
Fire Services Levy:	\$ -	\$ -	\$ -
G.S.I.:	\$ 265,589.30	\$ 275,846.79	-\$ 10,257.49
Stamp Duty:	\$ 178,719.30	\$ 185,444.68	-\$ 6,725.38
Policy Fee:	\$ 250.00	\$ 250.00	\$ -
Policy Fee GST:	\$ 25.00	\$ 25.00	\$ -
Total:	\$ 3,100,476.57	\$ 3,220,034.38	-\$ 119,557.81

GENERAL INFORMATION

You should check all of the information in this Schedule of Insurance. If You have any queries refer them to Your insurance broker. In issuing this policy Primacy Underwriting Agency is acting as agent of Allianz Australia Insurance Limited, ABN 15000122850.

Thank you for choosing to insure with Primacy, one of Australia's largest agricultural underwriting agencies.

Yours sincerely,

Steven Green
* Managing Director

Effective Date: 15/01/2009



PLANTATION INSURANCE SCHEDULE OF TREES

INSURED PLANTATION INFORMATION SUMMARY - 1

Insured: Timbercorp Limited
Intended Purpose: Pulp
Shires: Various as below

Policy Number: TIMB2655-0809
Effective Date: 15/01/2009
Broker: AgriRisk Services - Sydney
State: SA

PLANTATION INFORMATION

	Plantations	Species	Shire	Year Planted	No of Insured Lots	Area (Ha)	Average Declared Value per Hectare (\$/ha)	Shire Declared Value (\$)	Replant Costs Per Hectare (\$/ha)
1	Various	Eucalyptus	Lucindale-Naracoorte	Various	23,988.00	17,521.00	\$ 6,727.58	\$ 117,873,945.34	\$ -
2	Various	Eucalyptus	Penola	Various	68.00	68.00	\$ 7,099.07	\$ 482,736.76	\$ -
3	Various	Eucalyptus	Wattle Range	Various	4,593.00	4,287.00	\$ 6,680.56	\$ 28,639,579.98	\$ -
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20	Note:	The above details represent a summary of the plantations insured in the above shires in this state as at the effective date.							
21									
22		A separate listing of plantations within each shire including number of insured lots and insured hectares is attached and forms part of the Policy.							
23									
24		A separate listing of uninsured lots in each plantation is attached and forms part of the Policy.							
25									
26									
27									

Area Insured: 21876 Ha
Total Declared Value: \$146,996,262.08

PLANTATION PREMIUM DETAILS

Premium:	\$	683,943.31
Fire Services Levy:	\$	-
GST:	\$	68,394.33
Stamp Duty:	\$	82,757.14
Total:	\$	835,094.78



PLANTATION INSURANCE SCHEDULE OF TREES

INSURED PLANTATION INFORMATION SUMMARY - 2

Insured: Timbercorp Limited
Intended Purpose: Pulp
Shires: Various as below

Policy Number TIMB2655-0809

Effective Date: 15/01/2009
Broker: AgriRisk Services - Sydney
State: VIC

PLANTATION INFORMATION

	Plantations	Species	Shire	Year Planted	No of Insured Lots	Area (Ha)	Average Declared Value per Hectare (\$/ha)	Shire Declared Value (\$)	Replant Costs Per Hectare (\$/ha)
1	Various	Eucalyptus	Ararat	Various	1,994.11	998.44	\$ 6,593.55	\$ 6,583,266.90	\$ -
2	Various	Eucalyptus	Colac-Otway	Various	771.00	658.00	\$ 6,490.77	\$ 4,270,924.85	\$ -
3	Various	Eucalyptus	Corangamite	Various	772.00	535.33	\$ 6,241.23	\$ 3,341,119.52	\$ -
4	Various	Eucalyptus	Glenelg	Various	19,012.79	12,536.46	\$ 6,737.46	\$ 84,463,885.03	\$ -
5	Various	Eucalyptus	Marven	Various	38.00	42.00	\$ 7,283.33	\$ 305,900.00	\$ -
6	Various	Eucalyptus	Moyne	Various	9,826.00	9,691.67	\$ 6,603.73	\$ 64,001,145.33	\$ -
7	Various	Eucalyptus	Northern Grampians	Various	43.00	43.00	\$ 5,779.86	\$ 248,533.86	\$ -
8	Various	Eucalyptus	Southern Grampians	Various	7,446.00	5,871.67	\$ 6,757.53	\$ 39,677,995.43	\$ -
9	Various	Eucalyptus	West Wimmera	Various	10,334.83	8,455.16	\$ 7,061.04	\$ 59,702,257.11	\$ -
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20	Note:	The above details represent a summary of the plantations insured in the above shires in this state as at the effective date.							
21		A separate listing of plantations within each shire including number of insured lots and insured hectares is attached and forms part of the Policy.							
22		A separate listing of uninsured lots in each plantation is attached and forms part of the Policy.							
23									
24									
25									
26									
27									

Area Insured: 38831.73 Ha
Total Declared Value: \$262,595,028.04

PLANTATION PREMIUM DETAILS

Premium:	\$	1,221,740.48
Fire Services Levy:	\$	-
GST:	\$	122,174.05
Stamp Duty:	\$	13,439.15
Total:	\$	1,357,353.68

PLANTATION INSURANCE SCHEDULE OF TREES

INSURED PLANTATION INFORMATION SUMMARY - 3

Insured: Timbercorp Limited
Intended Purpose: Pulp
Shires: Various as below

Quotation Number TIM82655-0809

Effective Date: 15/01/2009
Broker: AgriRisk Services - Sydney
State: WA

PLANTATION INFORMATION

Plantations	Species	Shire	Year Planted	No of Insured Lots	Area (Ha)	Average Declared Value per Hectare (\$/ha)	Shire Declared Value (\$)	Replant Costs Per Hectare (\$/ha)
1	Various	Eucalyptus	Albany	Various	14,106.00	8,544.67	\$ 5,624.33	\$ 48,058,066.75
2	Various	Eucalyptus	Augusta-Margaret River	Various	1,008.00	766.00	\$ 6,370.12	\$ 4,879,510.02
3	Various	Eucalyptus	Boddington	Various	1,727.00	1,787.00	\$ 6,860.71	\$ 12,260,093.89
4	Various	Eucalyptus	Boyup Brook	Various	3,727.00	2,245.67	\$ 7,255.56	\$ 16,293,599.38
5	Various	Eucalyptus	Bridgetown	Various	958.00	546.33	\$ 7,037.16	\$ 3,844,609.72
6	Various	Eucalyptus	Cranbrook	Various	2,878.00	2,417.00	\$ 7,480.32	\$ 18,079,924.07
7	Various	Eucalyptus	Denmark	Various	726.00	303.00	\$ 6,226.57	\$ 1,886,649.78
8	Various	Eucalyptus	Donnybrook-Balingup	Various	75.00	75.00	\$ 6,057.85	\$ 454,338.75
9	Various	Eucalyptus	Harvey	Various	51.00	51.00	\$ 6,799.00	\$ 346,749.02
10	Various	Eucalyptus	Manjimup	Various	1,144.00	945.33	\$ 7,104.00	\$ 6,715,622.81
11	Various	Eucalyptus	Nannup	Various	1,449.00	683.00	\$ 7,261.53	\$ 4,959,624.45
12	Various	Eucalyptus	Plantagenet	Various	12,446.00	6,656.67	\$ 6,400.26	\$ 42,604,400.78
13	Various	Eucalyptus	West Arthur	Various	169.00	173.00	\$ 6,782.07	\$ 1,173,297.56
14								
15								
16								
17								
18								
19								
20	Note:	The above details represent a summary of the plantations insured in the above shires in this state as at the effective date.						
21								
22		A separate listing of plantations within each shire including number of insured lots and insured hectares is attached and forms part of the Policy.						
23								
24		A separate listing of uninsured lots in each plantation is attached and forms part of the Policy.						
25								
26								
27								

Area Insured: 25193.67 Ha
Total Declared Value: \$161,556,486.98

PLANTATION PREMIUM DETAILS

Premium:	\$	750,209.18
Fire Services Levy:	\$	-
GST:	\$	75,020.92
Stamp Duty:	\$	82,523.01
Total:	\$	907,753.11

AgriRisk Services Pty Limited

ABN 60 003 720 705

AFS Licence 233798

SPECIALIST AGRIBUSINESS INSURANCE BROKER
PO BOX 1434

NORTH SYDNEY NSW 2059

Phone (02) 9965 1100

Facsimile (02) 9965 1111

Email mailbox@agrisk.com.au

Website www.agrisk.com.au

Tax Invoice

Timbercorp Limited
Level 8
461 Bourke St
Melbourne, VIC 3000

TAX INVOICE DATE: 29-September-2008

TAX INVOICE NO: 00022465

CLIENT NUMBER: F1254

Our Ref No: ARS-NSW-F1254-0011840-000

Account Manager: Deidre McCallum

Contact Number: 02 9965 1126

Insured : Timbercorp Limited

Company Premium \$2,758,327.94

Insurer : Primacy Underwriting Agency Pty Ltd

plus

Policy Form : Primacy Plantation 2008

Policy Number :

Underwriter Fee \$100.00

Period of Insurance : From 01-Oct-08

GST on Premium

\$275,842.79

: To 01-Oct-09

plus

Stamp Duty

\$185,435.27

Broker Fee

Broker Fee (GST)

TOTAL DUE (AUD)

\$3,219,706.00

-2222
23-5520-2

Particulars

In accordance with your instructions, cover has been arranged covering plantations for a further 12 months.

Estimated area: 85,901.40 ha

Total Declared value: \$600,942,905

Limit of Liability \$100,000,000

Please check the details carefully to ensure they are correct and should any amendments be required, please contact us immediately.

Please note payment of your premium is required within 14 days of receipt of this invoice.

Make cheques payable to AgriRisk Services Pty Limited
St George Bank, 4 Bligh Street Sydney
BSB 332-027 A/c No. 5522 47933
Please quote your Client Number below.

Return Remittance Advice

Please cut off the section below the dotted line and attach it to your cheque made payable to:

AgriRisk Services Pty Limited

ABN 60 003 720 705

SPECIALIST AGRIBUSINESS INSURANCE BROKER
PO BOX 1434

NORTH SYDNEY NSW 2059

Insured : Timbercorp Limited

TAX INVOICE DATE:

29-September-2008

Insurer : Primacy Underwriting Agency Pty Ltd

TAX INVOICE NO:

00022465

TERMS: 14 DAYS NET

CLIENT NUMBER

F1254

TOTAL DUE: (AUD)

\$3,219,706.00