

9 November 2009



Letter to Timbercorp Forestry Scheme Grower Investors

Dear Grower Investor

Sale of Forestry Assets – Confirmation of Bank and Email Details Required

The purpose of this letter is to:

- Outline recent developments in relation to the Timbercorp Forestry Schemes;
- Summarise the terms of the Sale and Purchase Deed (“SPD”); and
- Confirm your details ahead of possible distributions relating to the sale of the Grower Investors trees.

As you are aware the Liquidators have been progressing a sale and/or recapitalisation process in relation to the Timbercorp Forestry Assets. Following a review of the bids and the selection of Australian Bluegum Plantations (“ABP”), an international forestry investment fund advised by Global Forest Partners as the preferred bidder in late September, the parties and their solicitors completed settlement of the transaction on 2 November 2009.

Summary of the Sale and Purchase Deed

The key points of the SPD are as follows:

- Total consideration of \$345m of which a gross amount of up to \$197.7m is allocated to the purchase of Growers’ trees by the purchaser; and
- The sale process required bidders to apportion their bid between each of the schemes. Accordingly, this is the primary determinant of the per lot return to Growers in each scheme. Generally speaking the more mature trees are allocated a higher value relative to the younger trees.

Distributions to Grower Investors

Calculations of a per lot return to Grower Investors are currently being calculated. The Liquidators are presently finalising a review of the underlying documentation and these figures will be circulated to Grower Investors in due course.

For Grower Investors in the 2007/2008 Timbercorp Eucalyptus project it is anticipated that there will be no cash return. This is due to the trees having not been planted or being very immature.

Please note that distributions are likely to be paid in a number of instalments as the Liquidators finalise the remaining outstanding settlement related issues.

**Corporate Recovery Services
Turnaround & Restructuring Services
Real Estate Advisory
Forensics**

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Liability limited by a scheme
approved under Professional
Standards Legislation

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Confirmation of Details Required

In preparation for distributions to individual Grower Investors as a result of the sale of the Timbercorp Forestry Assets, we kindly request that you confirm your banking and email details. (Refer to attached Direct Credit Authorisation form).

Your receipt of this letter does not guarantee that a cash distribution will be paid to you. Cash distributions to Grower Investors are dependent upon a number of factors that include:

- The scheme in which you have invested;
- The existence of any project invoice arrears; and
- The existence of any Timbercorp Finance Pty Ltd (In Liquidation) arrears and outstanding loan balances.

Further information in relation to distributions will be provided on the KordaMentha website (www.kordamentha.com) as it becomes available. Should you have any queries in relation to this matter, please review the KordaMentha website in the first instance. You may also contact the Timbercorp information hotline 1800 628 188 or email Timbercorp@kordamentha.com.

Yours faithfully

A handwritten signature in black ink, appearing to read 'M. Korda', written in a cursive style.

MARK KORDA
Liquidator

Enc.

Direct Credit Authorisation

I hereby authorise Timbercorp Project distribution payments to be paid into my bank account as follows:

Timbercorp Project:

Investment Name:

Date:

Contact Number:

Email Address:

Name of Financial Institution:

Address of Branch:

Account Name:

BSB (Branch Number):

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Account Number:

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Signature:

Please completed this form and return it to one of the following by **Wednesday 11 November 2009**:

Mail:

Timbercorp Securities Limited (In Liquidation)
C/O KordaMentha
GPO Box 2985
MELBOURNE VIC 3001

Facsimile:

Att: Timbercorp Securities Limited (In Liquidation)
(03) 8623 3399

Email:

Grower@kordamentha.com