



KordaMentha

2 August 2013

Letter to Timbercorp Forestry Scheme Grower Investors

Dear Grower Investor

Timbercorp Securities Limited (In Liquidation)

ACN 092 311 469 ('TSL')

Notice of further distribution

I confirm that a further distribution in respect of your investment in the Timbercorp Forestry Schemes was made on 25 July 2013. The background and circumstances of that distribution is detailed below.

Background

Sale of forestry assets

As you may be aware, in late 2009 the Liquidators sold the land, leases and forestry assets used in the Timbercorp Forestry Schemes (**Forestry Sale**). As previously advised, a loan was made by the Forestry Schemes Grower Investors (**Grower Funds**) to Timbercorp olive asset owning companies. The purpose of the loan was to ensure the release of the secured creditor's mortgages so that completion of the Forestry Sale could occur.

Grower Investors were given security over certain olive assets via a special purpose company, Fenceport Pty Ltd (**Fenceport**).

The olive scheme assets were sold in January 2010. The net sale proceeds of those assets were held on trust pending a resolution of the dispute between Fenceport, as secured creditor, Olive Growers and the land owner.

Fenceport rights proceeding and compromise

In late 2011, Fenceport commenced proceedings seeking determination of its entitlement to be repaid the Grower Funds advanced to repay the secured creditor.

A deed of compromise was executed by the parties to the proceeding and was subsequently approved by the Supreme Court (**Compromise**).

Under the terms of the Compromise, Fenceport was repaid the full amount owed to it (plus interest which had accrued on the amount).

Your entitlements

Since Fenceport was repaid in full, you were entitled to a further distribution representing your entitlement to share in the Grower Funds which were withheld from the proceeds of the Forestry Sale (plus interest

Corporate Recovery Services
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Liability limited by a scheme
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which has accrued on the amount). The distributions totalling approximately \$29 million were made on 25 July 2013 as follows:

Scheme/project	Lots	Per lot return
1997 Eucalypts Double Rotation - Late	582	286.36
1997 Eucalypts Single Rotation - Late	1,384	72.02
1998 Eucalypts Double Rotation - Early	1,533	533.55
1998 Eucalypts Double Rotation - Late	2,688	348.42
1998 Eucalypts Single Rotation - Early	3,768	458.87
1998 Eucalypts Single Rotation - Late	4,507	592.44
1999 Eucalypts Double Rotation Private Offer	478	559.23
1999 Eucalypts Single Rotation - Early	5,577	351.21
1999 Eucalypts Single Rotation - Late	21,978	384.16
1999 Eucalypts Single Rotation - Branton (Burnt)	113	384.16
2000 Eucalypts	10,197	345.87
2001 Eucalypts	4,086	379.96
2002 Eucalypts - Early	3,270	237.08
2002 Eucalypts - Post June	246	136.86
2003 Eucalypts Early	996	325.21
2003 Eucalypts Pre Payment	4,931	121.55
2004 Eucalypts Pre Payment	1,744	310.35
2004 Timberlots	12,099	98.69
2005 Timberlots Post-30 June	13,881	72.11
2005 Timberlots Pre-30 June	18,214	78.02
2007/2008 Timberlots Post-30 June	18,386	13.73
2007/2008 Timberlots Pre-30 June	14,605	45.92

Grower Investors with Invoice Arrears or Loans

Where Grower Investors have invoice arrears and/or loans, certain amounts may have been deducted from the gross amount payable in accordance with scheme and loan documentation.

If you owe amounts to Timbercorp Finance Pty Ltd (In Liquidation) (**TFL**) under an outstanding loan from TFL in connection with your investment in the Timbercorp Forestry Projects or you owe amounts to TSL, you can choose to direct your distribution be paid in whole or in part, to TFL or TSL to pay, to the extent possible, those amounts you owe. If you have not already done so, you can give your directions to TSL by completing and returning a direction to pay form. To arrange for a direction to pay form to be sent to you, call the telephone hotline on (03) 8615 1200 or email investorqueries@timbercorp.com.au. If you choose not to execute a direction to pay, your distribution will be held on trust, in an interest bearing account, until:

- you do execute a direction to pay; or
- you come to an agreement with TSL in respect of amounts owing to TSL; and/or
- you come to an agreement with TFL in respect of amounts owing to TFL or pending a legal determination in relation to the competing claims of Grower Investors and TFL to the distribution.

Distribution payments can be made directly into your bank account. If you have not previously provided TSL with your bank account details, you can obtain a Bank Account Nomination Form by calling the telephone hotline on (03) 8615 1200 or by emailing investorqueries@timbercorp.com.au.

Future Distributions

In addition to the distribution outlined above, it is anticipated a final distribution will be made to Grower Investors in the Timbercrop Forestry Schemes in the next quarter. This final distribution will account for the balance of funds from the forestry sale. We will correspond with you further at the time of distribution.

Further information in relation to distributions will be provided on the KordaMentha website (www.kordamentha.com) as it becomes available. If you have any questions in relation to this matter, you can contact the Timbercorp information hotline on (03) 8615 1200 or email investorqueries@timbercorp.com.au.

Yours sincerely

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

Mark Korda
Liquidator