

Solara Rights Proceeding

Frequently Asked Questions

for Growers in the 2005 Timbercorp Citrus Project

1 What Project am I in?

Call the hotline on (03) 8615 1200 or email investorqueries@timbercorp.com.au.

2 How many lots do I have?

Call the hotline on (03) 8615 1200 or email investorqueries@timbercorp.com.au.

3 Do I owe money to Timbercorp Securities Limited (in liquidation) and how much?

Call the hotline on (03) 8615 1200 or email investorqueries@timbercorp.com.au.

4 Do I owe money to Timbercorp Finance Pty Ltd (in liquidation) and how much?

Call the hotline on (03) 8615 1200 or email investorqueries@timbercorp.com.au.

5 What's my entitlement under the Compromise?

Under the Compromise, Growers are entitled to \$316.80 per lot held by them on 9 April 2010.

6 When am I going to receive my entitlement under the Compromise?

The Compromise (and the similar compromises in relation to other Timbercorp Projects) must be approved by the Supreme Court before any payments are made. You will be notified if Court Approval is received and, if so, of the expected date of payment. The date of any Court Approval and payment will be after October 2012.

If you do not have any loans owing to Timbercorp Finance in relation to the Citrus Project, your entitlement will be paid as soon as possible after Court approval is received.

If you have loans owing to Timbercorp Finance in relation to the Citrus Project, you may direct that your entitlement is paid to Timbercorp Finance to reduce your loan balance. If your entitlement exceeds the amount you owe to Timbercorp Finance, you can direct that the excess be used to pay any amounts you owe to TSL or to pay other loans you have with Timbercorp Finance. Otherwise, the excess will be paid to you.

You will need to complete a new Direction to Pay Form specifically relating to the Compromise, even if you have previously provided a Timbercorp Finance or TSL direction to pay in relation to other distributions. You can obtain a Citrus Direction to Pay Form at any of:

www.clarendonlawyers.com.au

www.kordamentha.com/creditor-information/Australia/51

www.abl.com.au/timbercorp/compromises.htm

or by:

- calling the hotline on (03) 8615 1200 or
- emailing investorqueries@timbercorp.com.au.

If you do not execute a Citrus Direction to Pay Form for loans you have owing to Timbercorp Finance in relation to the Citrus Project, your entitlement will be held on trust,

in an interest bearing account, pending a legal determination in relation to the competing claims of Growers and Timbercorp Finance to the entitlement.

If you do not have loans owing to Timbercorp Finance in relation to the Citrus Project, but you have amounts owing to TSL, and you do not execute a Citrus Direction to Pay Form, you will still receive your entitlement.

7 How am I going to receive my payment?

Payments to Growers (who do not have any loans owing to Timbercorp Finance in relation to the Citrus Project) will be made by direct deposit into the bank account nominated by the Grower. Payments will only be made by direct deposit and will not be made by cheque.

If you have not previously provided TSL with a completed direct credit authorisation, you will need to nominate a bank account to receive your payment. You can obtain a Bank Account Nomination Form at any of:

www.clarendonlawyers.com.au

www.kordamentha.com/creditor-information/Australia/51

www.abl.com.au/timbercorp/compromises.htm

or by:

- calling the hotline on (03) 8615 1200 or
- emailing investorqueries@timbercorp.com.au.

If you have previously provided TSL with a completed direct credit authorisation nominating a bank account, any payment to you will be made by direct deposit to that bank account, unless you nominate a different bank account now.

If you have loans owing to Timbercorp Finance in relation to the Citrus Project and you have not executed a Citrus Direction to Pay Form, your entitlement will be held in trust, in an interest bearing account, until there is a legal determination in relation to the competing claims of Growers and Timbercorp Finance to the entitlement.

If you have executed a Citrus Direction to Pay Form and your entitlement exceeds the amount you owe to Timbercorp Finance in relation to the Citrus Project, unless you have directed that the excess be used to pay amounts owing by you to TSL or to pay other loans you have with Timbercorp Finance, the excess will be paid by direct deposit into the bank account nominated by you. You can obtain a Bank Account Nomination Form at any of:

www.clarendonlawyers.com.au

www.kordamentha.com/creditor-information/Australia/51

www.abl.com.au/timbercorp/compromises.htm

or by:

- calling the hotline on (03) 8615 1200 or
- emailing investorqueries@timbercorp.com.au.

8 I have previously completed a direct credit authorisation, do I need to nominate a another bank account?

If you have previously provided TSL with a completed direct credit authorisation nominating a bank account, any payment to you will be made by direct deposit to that bank account, unless you nominate a different bank account now.

9 Once I have nominated a bank account, will it be used for other payments to me (if any) in the future?

Yes, once you nominate a bank account, any future payment to be made to you by TSL will be made by direct deposit to that nominated bank account, unless you nominate a different bank account to TSL.

10 Do I need to sign any documents in relation to the Compromise?

If the Compromise and the compromises in relation to other Timbercorp Projects are approved by the Supreme Court, they will be binding on each Grower, even though the Grower you did not sign the deed of compromise

You will need to nominate a bank account into which your entitlement will be paid. You can obtain a Bank Account Nomination Form at any of:

www.clarendonlawyers.com.au

www.kordamentha.com/creditor-information/Australia/51

www.abl.com.au/timbercorp/compromises.htm

or by:

- calling the hotline on (03) 8615 1200 or
- emailing investorqueries@timbercorp.com.au.

If you have previously provided TSL with a completed direct credit authorisation nominating a bank account, any payment to you will be made by direct deposit to that bank account, unless you nominate a different bank account now.

If you have loans owing to Timbercorp Finance or amounts owing to TSL in relation to the Citrus Project, you may direct that your entitlement is used to reduce the amounts owing by you. You can obtain a Citrus Direction to Pay Form at any of:

www.clarendonlawyers.com.au

www.kordamentha.com/creditor-information/Australia/51

www.abl.com.au/timbercorp/compromises.htm

or by:

- calling the hotline on (03) 8615 1200 or
- emailing investorqueries@timbercorp.com.au.

You will need to complete a new Citrus Direction to Pay Form specifically relating to the Compromise, even if you have previously provided a Timbercorp Finance or TSL direction to pay in relation to other distributions.

11 What is the Direction to Pay Form and do I need to complete one?

A Direction to Pay Form is a Grower's direction to TSL to use the Grower's entitlement to reduce the Grower's loan balances owing to Timbercorp Finance or to reduce the amounts owing by the Grower to TSL.

You will need to complete a new Citrus Direction to Pay Form specifically relating to the Compromise, even if you have previously executed a Timbercorp Finance or TSL direction to pay form in relation to other distributions.

Growers who have loans owing to Timbercorp Finance in relation to the Citrus Project do not have to complete a Citrus Direction to Pay Form but if they do not, their entitlement will be held on trust, in an interest bearing account, pending determination of the competing claims of the Grower and Timbercorp Finance.

Growers can execute a Citrus Direction to Pay Form, but direct that only part of their entitlement be used to reduce their loans owing to Timbercorp Finance in relation to the

Citrus Project. If any amount remains owing to Timbercorp Finance, the rest of the Grower's entitlement will be held on trust, in an interest bearing account, pending determination of the competing claims of the Grower and Timbercorp Finance.

If you do not have a loan owing to Timbercorp Finance in relation to the Citrus Project but have amounts owing to TSL, and you do not complete a Citrus Direction to Pay Form, you will still receive your entitlement.

12 What happens if I don't want to use my entitlement to pay Timbercorp Finance / TSL?

If you have loans owing to Timbercorp Finance in relation to the Citrus Project and you do not execute a Citrus Direction to Pay Form, your entitlement will be held on trust, in an interest bearing account, pending a legal determination in relation to the competing claims of Growers and Timbercorp Finance to the entitlement.

If you have amounts owing to TSL but no loans owing to Timbercorp Finance and you do not execute a Citrus Direction to Pay Form, your entitlement will be paid to you by direct deposit into your nominated bank account. If you have not previously provided TSL with a completed direct credit authorisation, you will need to nominate a bank account to receive your payment. You can obtain a Bank Account Nomination Form at any of:

www.clarendonlawyers.com.au

www.kordamentha.com/creditor-information/Australia/51

www.abl.com.au/timbercorp/compromises.htm

or by:

- calling the hotline on (03) 8615 1200 or
- emailing investorqueries@timbercorp.com.au.

If you do not use your entitlement to pay Timbercorp Finance or TSL, you will remain liable to pay the amounts owing (plus applicable interest) to them.

13 What happens if my entitlement does not pay Timbercorp Finance / TSL in full?

If you direct that your entitlement be used to pay Timbercorp Finance or TSL but your entitlement is not sufficient to pay the full amount you owe to Timbercorp Finance or TSL, you will remain liable to pay the balance owing (plus applicable interest) to them.

14 If I sign a Citrus Direction to Pay Form, can I still dispute that Timbercorp Finance / TSL were entitled to be paid?

Yes, signing the Citrus Direction to Pay Form and the use of your entitlement to pay Timbercorp Finance or TSL does not affect your right to dispute that Timbercorp Finance or TSL were entitled to be paid.

15 If I am a Grower in more than one Timbercorp Project and I want to use my entitlements from all of my Projects to pay Timbercorp Finance / TSL, do I need to sign a direction to pay form for each Project?

There is a separate direction to pay form for Timbercorp Olive Projects, Timbercorp Almond Projects and the 2005 Timbercorp Citrus Project.

If you are only a Grower in Olive Projects, you only need sign one Olive Direction to Pay Form, even if you are a Grower in several Olive Projects.

If you are only a Grower in Almond Projects, you only need sign one Almond Direction to Pay Form, even if you are a Grower in several Almond Projects.

If you are only a Grower in the 2005 Citrus Project, you only need sign one Citrus Direction to Pay Form.

If you are a Grower in Olive Projects and Almond Projects, you will have to sign an Olive Direction to Pay Form for the Olive Projects and a separate Almond Direction to Pay Form for the Almond Projects.

If you are a Grower in Olive Projects and the 2005 Citrus Project, you will have to sign an Olive Direction to Pay Form for the Olive Projects and a separate Citrus Direction to Pay Form for the 2005 Citrus Project.

If you are a Grower in Almond Projects and the 2005 Citrus Project, you will have to sign an Almond Direction to Pay Form for the Almond Projects and a separate Citrus Direction to Pay Form for the 2005 Citrus Project.

If you are a Grower in Olive Projects, Almond Projects and the 2005 Citrus Project, you will have to sign an Olive Direction to Pay Form for the Olive Projects and a separate Almond Direction to Pay Form for the Almond Projects and a separate Citrus Direction to Pay Form for the 2005 Citrus Project.

16 What is the Solora Rights Proceeding and how does it relate to me?

The Solora Rights Proceeding is a legal proceeding which is currently in the Supreme Court of Victoria. The purpose of the proceeding is to determine who is entitled to the net proceeds of sale of the land and other assets which were used in the 2005 Timbercorp Citrus Project. The parties who are claiming an entitlement to the proceeds are:

- Australia and New Zealand Banking Corporation Limited, which advanced money to the land owner and had (among other security) a mortgage over the land and a charge over the other assets;
- the Growers in the 2005 Timbercorp Citrus Project; and
- the landowner, OIM#2 Pty Ltd (Receivers and Managers appointed) as trustee for Timbercorp Orchard Trust #2 and its receivers and managers, Michael Fung and Paul Kirk.

If the Compromise is approved by the Supreme Court and the compromises in relation to other Timbercorp Projects are also approved, the Solora Rights Proceeding will not continue and the net sale proceeds will be shared in accordance with the Compromise. Growers will lose the right to argue for a different share of the net sale proceeds.

17 Who are the Representative Growers and what is their role?

The Representative Growers are representing all Growers in the Solora Rights Proceeding. If the Compromise is not approved and the Solora Rights Proceeding continues, the Representative Growers and their lawyers will appear in Court and try to prove that the Growers are entitled to a share of the net sale proceeds. It is unlikely that the proceeding would be heard and determined by the Court before late 2013. The names of the Representative Growers are set out in the First Notice to Growers.

18 How were the Representative Growers chosen?

The Timbercorp Growers Group and the TGG Citrus Committee Inc were asked to nominate Growers willing to act as Representative Growers. The TGG Citrus Committee Inc did not nominate any Growers willing to act as Representative Growers. Accordingly, the Supreme Court of Victoria appointed the nominees of the Timbercorp Growers Group as the Representative Growers. The names of the Representative Growers are set out in the First Notice to Growers.

19 Which lawyers are acting for Growers?

Clarendon Lawyers and barristers appointed by them. TSL has agreed to pay, from its own funds, the fees and costs of Clarendon Lawyers and those barristers in relation to

the application for approval of the Compromise. These fees and costs will not be deducted from the sale proceeds of amounts payable to Growers.

20 Why have the Representative Growers agreed to the Compromise?

The Representative Growers have obtained legal advice in relation to the Compromise and have considered it and other matters such as the delays and uncertainty if it is necessary to proceed with a contested trial in the Supreme Court to decide who is entitled to the net sale proceeds. The lawyers and barristers who gave the legal advice took into account (among other things) the decision in the Almond Land apportionment proceeding and the appeal of that decision. On the basis of the legal advice, the certainty of the payments to be made under the Compromise once approved by the Supreme Court and the cost and delay before the Solara Rights Proceeding would be finally heard and determined by the Supreme Court, the Representative Growers consider that the Compromise is for the benefit of the Growers in the Citrus Project.

21 Can I have a copy of the advice given to the Responsible Growers?

A copy of the advice will be provided free of charge to any Grower who writes to Clarendon Lawyers requesting a copy of the advice, or any lawyer for a Grower who writes to Clarendon Lawyers requesting the advice on behalf of any identified Grower, provided that the Grower or lawyer requesting the copy of the advice provides Clarendon Lawyers with a signed document acknowledging the common interest privilege and undertaking to treat the advice as strictly confidential. Written requests should be addressed to Clarendon Lawyers and emailed to investorqueries@timbercorp.com.au.

22 What is the Compromise reached by the parties to the Solara Rights Proceeding?

If the Compromise is approved by the Supreme Court and the compromises in relation to the other Timbercorp Projects are also approved, Growers will be entitled, in total, to \$650,000, which is approximately 5% of the gross sale proceeds. This equates to \$316.80 per lot. The remaining proceeds will be paid to the secured creditors or land owner. All parties, including all Growers, will release all other parties from the claims they may otherwise have had in relation to the sale proceeds.

23 How was the figure of \$650,000 reached?

The amount was reached by agreement between the secured creditor, the land owner and the Representative Growers.

24 Can I have a copy of the Compromise Deed?

The Compromise Deed is available online at any of:

www.clarendonlawyers.com.au

www.kordamentha.com/creditor-information/Australia/51

www.abl.com.au/timbercorp/compromises.htm

or by:

- calling the hotline on (03) 8615 1200 or
- emailing investorqueries@timbercorp.com.au.

25 What conditions have to be satisfied in order for the Compromise to proceed?

The Supreme Court must approve the Compromise and the similar compromises reached in relation to other Timbercorp Projects by 31 December 2012 or such later date as is agreed. The Supreme Court may approve the Compromise if it is satisfied that the Compromise is for the benefit of Growers.

26 What are the other compromises that require approval?

Similar compromises have been reached in relation to the proceedings which were commenced to determine how the net proceeds from the sales of assets used in the Timbercorp Almond Projects and the Timbercorp Olive Projects. These compromises are also subject to Court approval. The other proceedings are:

- Supreme Court of Victoria Court of Appeal Proceeding No APCI 2011 0103 (**Almond Land Rights Appeal Proceeding**) which relates to the 2002, 2005, 2006 and 2007 Timbercorp Almond Projects and the 2002 Timbercorp Almond Project (Private Offer No 1)
- Supreme Court of Victoria Proceeding No S CI 2011 6604 (**Liparoo and Yungera Rights Proceeding**) which relates to the 2001, 2002, 2003, 2004 and 2005 Timbercorp Almond Projects and the 2002 Timbercorp Almond Project (Private Offer No 1)
- Supreme Court of Victoria Proceeding No S CI 2011 6777 (**Fenceport Rights Proceeding**) which relates to the 2000 Timbercorp Olive Project (Private Offer) and the 2001, 2002, 2003 and 2004 Timbercorp Olive Projects
- Supreme Court of Victoria Proceeding No S CI 2010 1354 (**BB Olives Rights Proceeding**) which relates to the 2006, 2007 and 2008 Timbercorp Olive Projects

The 2002 and 2005 Timbercorp Almond Projects and 2002 Timbercorp Almond Project (Private Offer No 1) were conducted on more than one almond plantation, which were sold in different sale transactions. Those Projects are therefore involved in both the Almond Land Rights Appeal Proceeding and the Liparoo and Yungera Rights Proceeding.

27 When will the Supreme Court of Victoria decide whether to approve the Compromise?

A date for the hearing has not yet been set. It will not be before October 2012. Once the date of the hearing has been determined, it will be posted on the following websites:

www.clarendonlawyers.com.au

www.kordamentha.com/creditor-information/Australia/51

www.abl.com.au/timbercorp/compromises.htm.

The Court may take some time after the hearing to decide whether to approve the Compromise and the similar compromises in relation to other Timbercorp Projects.

28 What happens if the Supreme Court of Victoria does not approve the Compromise?

If the Supreme Court does not approve the Compromise (or the other similar compromises), the Solara Rights Proceeding will continue. The Supreme Court will determine who is entitled to the net sale proceeds. The proceeds will remain in trust in an interest bearing account until the Supreme Court decides. It is unlikely that the Solara Rights Proceeding would be heard and determined before late 2013.

29 Are there tax consequences for me as a result of the Compromise?

There may be tax consequences for you, depending on your individual circumstances. You should ask your own financial or tax adviser.

30 Can I object to the Compromise?

Yes. You can object by email to investorqueries@timbercorp.com.au or by calling the hotline on (03) 8615 1200. If you object to the Compromise, you may also raise your objection at the Supreme Court hearing of the application for approval of the Compromise. Growers may choose to appear in person or have their own lawyers represent them. You should seek your own legal advice if you wish to appear or have your lawyers appear on your behalf.

31 What happens if a Grower objects to the Compromise?

All objections received from Growers before 14 September 2012 will be disclosed to the Supreme Court at the hearing of the application for approval of the Compromise. If your objection is received after that time but before the hearing of the application, the Representative Growers will use their best efforts to ensure that it is also disclosed to the Supreme Court. The Supreme Court will consider the objections received from Growers and disclosed to it when determining whether the Compromise is for the benefit of Growers.

32 Am I bound by the Compromise?

If the Compromise is approved by the Supreme Court and the other compromises are also approved, all Growers will be bound by the Compromise. Growers will lose the right to argue for a different share of the net sale proceeds.

33 Who can I talk to about the Compromise if I have a comment, question or objection?

You can call the hotline on (03) 8615 1200. If the hotline staff cannot answer your question, they will refer it to Clarendon Lawyers, who are acting for the Representative Growers. Someone from Clarendon Lawyers will then respond to you.

34 How much are the Growers in the other schemes getting?

Timbercorp Olive Project	Fenceport Compromise entitlement per lot	BB Olives Compromise entitlement per lot	Total entitlement per lot
2000 Olive (Private Offer)	\$163.81	-	\$163.81
2001 Olive	\$163.81	-	\$163.81
2002 Olive	\$163.81	-	\$163.81
2003 Olive	\$163.81	-	\$163.81
2004 Olive	\$163.81	-	\$163.81
2006 Olive	-	\$92.43	\$92.43
2007 Olive	-	\$92.43	\$92.43
2008 Olive	-	\$92.43	\$92.43

Timbercorp Almond Project	Almond Land Compromise Grower entitlement per lot (subject to claim by the Litigation Funders)	Liparoo & Yungera Compromise Grower entitlement per lot	Tree purchase per lot	Total Grower entitlement per lot
2001 Almond	-	\$521.31	\$2000	\$2521.31
2002 Almond (Private Offer No 1)	\$53.46	\$371.93	-	\$425.39
2002 Almond	\$54.89	\$367.93	-	\$422.82
2003 Almond	-	\$521.31	-	\$521.31
2004 Almond	-	\$521.31	-	\$521.31
2005 Almond	\$121.24	\$182.54	-	\$303.78
2006 Almond	\$186.57	-	-	\$186.57
2007 Almond	\$186.57	-	-	\$186.57

Timbercorp Citrus Project	Solara Compromise entitlement per lot	Total entitlement per lot
2005 Citrus	\$316.80	\$316.80

Some land used in the 2002 and 2005 Timbercorp Almond Projects and the 2002 Timbercorp Almond Project (Private Offer No. 1) was sold in the Almond Land sale transaction and the remainder in the Liparoo and Yungera sale transaction. Growers in those Projects therefore have an entitlement under both compromises. The amount set aside for Growers from each compromise is determined by the number of lots in that Project that were on the relevant land. These amounts are then allocated to Growers on the basis of the total number of lots in the Project. This results in the amount per lot being reduced in proportion to the percentage of lots in that Project that were located on the relevant land.

The Growers' Appeal of the decision in the Almond Land Rights Proceeding has been funded by Litigation Funders. Those Litigation Funders have indicated that they intend to seek a payment from the Growers' entitlement under the compromise of the Almond Land Rights Appeal Proceeding. If they are successful in this claim (in whole or in part), the amounts that Growers in the 2002, 2005, 2006 and 2007 Timbercorp Almond Project and the 2002 Timbercorp Almond Project (Private Offer No. 1) receive will be reduced accordingly.

If the Supreme Court is not prepared to hear and determine the Litigation Funders' claim until after the hearing of the application for approval of the compromise of the Almond Land Rights Appeal Proceeding, the Supreme Court may require that the Growers' entitlement under the compromise of the Almond Land Rights Appeal Proceeding be held on trust, in an interest bearing account, until the Litigation Funders' claim is heard and

determined. This will not affect the distribution of Growers' entitlements under any other compromise.

35 Why are some Growers getting more than others?

Approximately 5% of the gross proceeds of each sale transaction are being set aside for Growers. The sale proceeds differed between the sale transactions depending on how much the relevant buyers were prepared to pay. This varied depending on the location and value of the land, the age of the trees and other factors.

The amount set aside for Growers from each sale transaction is then divided by the number of lots in the relevant Projects.

Unlike the other Timbercorp Projects, Growers in the 2001 Timbercorp Almond Project, owned the trees on their lot. The governing documents for the 2001 Timbercorp Almond Project provide that Growers are entitled to \$2,000 per lot for the trees on their lot when the trees were sold. Those Growers are therefore entitled to an additional \$2,000 per lot. The governing documents for the other Timbercorp Projects do not have the same provisions.

Some land used in the 2002 and 2005 Timbercorp Almond Projects and the 2002 Timbercorp Almond Project (Private Offer No. 1) was sold in the Almond Land sale transaction and the remainder in the Liparoo and Yungera sale transaction. Growers in those Projects therefore have an entitlement under both compromises. The amount set aside for Growers from each compromise is determined by the number of lots in that Project that were on the relevant land. These amounts are then allocated to Growers on the basis of the total number of lots in the Project. This results in the amount per lot being reduced in proportion to the percentage of lots in that Project that were located on the relevant land.

36 Where can I get a copy of the governing documents for my Project?

The governing documents for the Citrus Project, such as the constitution, licences and management agreement are available at www.abl.com.au/timbercorp/compromise.htm

37 Why aren't Growers in the Table Grape or 2004 Citrus Projects getting anything?

A compromise agreement has not been reached between the Growers in these Projects and the other interested parties. The net sale proceeds are being held on trust, in an interest bearing account, until an agreement is reached or a Court decides who is entitled to the net sale proceeds.

38 What happened in the Almond Land apportionment proceeding?

The Almond Land apportionment proceeding was heard by Justice Davies of the Supreme Court of Victoria in 2011. Her Honour determined that the Growers were not entitled to any of the net sale proceeds. Instead, the secured creditors were entitled to all of the net sale proceeds.

The Growers have appealed this decision but the appeal has not yet been heard.

39 What is happening with the appeal of the decision in the Almond Land apportionment proceeding?

The parties have completed all the necessary preliminary steps required before the Court of Appeal will set a date for the hearing of the appeal, however the date for the hearing has not yet been set.

If the Compromises are not approved by the Supreme Court, the appeal will continue. It is not expected to be heard before mid 2013.