

FEA GROWERS GROUP UPDATE – NO.1

10/6/2010

GENERAL

Thank you for registering your interest on the FEA Growers Group website. FEA Growers Group has been established to provide a central focus for Growers and one clear voice on their behalf.

Via this website, FEA Growers Group aims to keep you informed about events and actions we take in the interests of Growers.

ACTION ALERT

From time to time, you may receive a communication with this heading, which will ask you to send a message to someone. This may be desirable to express a view more forcefully, lobby or demonstrate support. An Action Alert needs your immediate attention.

ACHIEVEMENTS TO DATE

We have undertaken the following on behalf of Growers:

- Created the FEA Growers Group website
- Recruited individuals who are passionate about the FEA Growers Group and achieving commercial outcomes
- Appointed solicitors, and engaged a Queens Counsel experienced in managed investment schemes and Junior Counsel specialising in real property rights. Both have been actively involved with Timbercorp, Great Southern and other cases and understand the issues very well.
- Obtained interim funding so we can act in the interests of Growers, prior to seeking any financial contributions from Growers.
- Developed a close working relationship with BRI Ferrier's (The Administrators of the Responsible Entity of our Schemes) and gained acceptance as the representative growers group.
- Obtained the support of a large number of Growers (refer to tally on www.feagg.com.au).
- Engaged with potential commercial parties who may have an interest in some or all of the Schemes continuing.
- Had a number of our Committee (Rob Burns and Mike Butler) appointed to the formal Creditors Committee of Inspection, who have attended several of those meetings to date. Given a number of media interviews.
- Assisted BRI Ferrier's in their Court application for an extension of time before they have to decide whether to disclaim lease liability.
- Obtained registers of growers for each Scheme to aid in wider communication about your investments.

NEXT STEPS

a) Powers of Attorney – to call a meeting of Growers.

We will soon distribute to Growers draft Powers of Attorney in favour of nominated Committee members, to enable us to quickly call meetings of Growers to consider commercial opportunities which require a restructure of one or more of the Schemes.

While we have a close working relationship with BRI Ferriers, they may be unwilling or unable to call a meeting, and Growers themselves need to be able to take control.

We ask you to support this action by returning your Power of Attorney urgently.

b) No. Of Growers required to call a meeting.

We need to have 5% of woodlots within each individual Scheme to be in a position to call a meeting to change a constitution or appoint a new RE.

c) Temporary Responsible Entity

We are considering the appointment of a temporary RE, if this is in the interests of Growers.

This has become more necessary since the banks have taken an aggressive move and appointed a Receiver to the RE, FEA Plantations – effective date 3/7/2010.

We believe this is an effort to starve the RE of funds to facilitate terminating leases which may create a major loss of value to Growers.

We are appalled by the banks' stance. They took security in the knowledge of the Growers rights. Their apparent strong desire to now convert encumbered freehold property to unencumbered freehold property, at the expense of Growers, is immoral.

Since the Great Southern and Timbercorp cases, banks have instigated new ways of trying to realise their security over FEA assets. They are asserting that their security extends to areas where we believe it does not. We will seek to clarify these issues.

TARGET GROWER REGISTRATION

There are some 13,000 Growers across all the FEA Schemes. We would like to have registered at least 5,000 of those 13,000. The more registrations we have, the easier it is to get messages out and the more weight our opinions and statements have.

We would ask for your support to encourage everyone you know with FEA woodlots to register at www.feagg.com.au .

We ask that all advisors, accountants and dealer groups assist by encouraging as many of your clients to register as possible.

YOU CAN HELP BY REGISTERING YOURSELF AND URGING OTHERS TO REGISTER

On Behalf of the FEA Growers Group.

Rob Burns Chairperson