

Grower Update

Gunns Plantations Limited ACN 091 232 209
(Receivers and Managers Appointed)(In Liquidation) (GPL)

Gunns Plantations Woodlot Schemes 2000 – 2006, 2008 & 2009 (GPL Woodlot Schemes)
Update (Excludes Ex-Great Southern Schemes)

Following our update to Growers of 6 April 2013 we now provide our next Update that provides responses to the top 10 frequently asked questions we have received over the past week.

Our update of 6 April 2013 outlined the rationale for the Liquidators conclusion that it was in the interest of growers and stakeholders to pursue a court approved sale process, summarised as follows:

- Economic returns were assessed as less beneficial under the alternate Responsible Entity (RE) process.
- Proposed amendments to constitutions may not be in the interests of GPL Woodlot Growers.
- Concerns in relation to the Alternate RE process timing and impact to GPL Woodlot Schemes.
- Ongoing risk of lease terminations under both an Alternate RE proposal and the 2000 & 2001 GPL Woodlot Schemes proposal, versus a proposed standstill under a court approved sale process.
- Impact on Grower loans / finance.
- Ongoing Alternate RE uncertainty.

For further details of the above, please review our update dated 6 April 2013 via the link below.
[Gunns Plantations Woodlot Schemes 2000-2006, 2008 & 2009 Update](#)

We intend to provide the next grower update on Friday 19 April 2013 and we encourage you to refer to the Creditor Information section of the PPB Advisory website at www.ppbadvisory.com for any future updates.

Below are the Top 10 FAQ's over the last week

1. What Schemes did the Grower email of 6 April 2013 relate to?

Gunns Plantations Woodlot Projects (**GPL Woodlots**) 2000-2006, 2008 & 2009.

2. When will the application to Court be made

The Liquidators will apply to the Supreme Court of Victoria for a power of sale (**POS**) to be included in the Scheme constitutions in late April. A date has not yet been set, but we will continue to provide an update on this.

3. How will a sale process work and how long will it take?

A sale process will likely take up to 3 to 4 months and will commence once the Court application for a power of sale has been granted.

Stakeholders will have the opportunity to apply to be heard and present any objections at the hearing.

4. What are the 'net' proceeds referred to in your email to Growers on 6 April 2013?

In simple terms net proceeds are proceeds available to growers once any legally asserted liens have been accounted for. Lien examples may include:

Competing claims may include:

- Administrators and Liquidator fees and disbursements
- maintenance and operational costs
- legal costs
- creditors with security against woodlots
- Grower loans secured by woodlots.

The Liquidators will seek the guidance of the Court in respect of these liens. If a Grower has a loan in respect of their interest, the proceeds returned to the Grower will also be subject to that loan.

5. Who are the potential buyers of the Scheme trees?

There are a number of large national and international corporations that have expressed interest in the assets of the Schemes.

6. Has an offer been received for the GPL Woodlot trees?

There have been a number of global parties that have been in contact to express indicative interest in purchasing the GPL Woodlot trees, but an offer has not yet been received.

7. Are GPL Woodlot trees continuing to be maintained during the sale process?

An agreement covering fire maintenance and suppression services, regulatory compliance services and general forestry management services remains in place.

8. Can an alternative responsible entity (RE) still provide a proposal to the Growers to become the Alternate RE for the Schemes?

Yes. A party interested in becoming the RE may continue to work up a proposal for the Growers to become the Alternate RE. At this stage, for the reasons set out in our email of 6 April, any future Alternate RE proposal will have to be put to Growers without the assistance of the incumbent RE (to avoid the administration incurring further costs). We will keep you informed of any developments.

9. How does the Liquidator get paid?

Administrators and Liquidators' fees and costs will need to be reviewed and approved by the Court.

Costs approved by the Court may then be paid (subject to available funds) from Scheme assets.

If a replacement RE was found, then the outstanding Court approved costs would need to be paid in priority to other costs associated with the Schemes.

If a sale of Scheme assets was to occur, then the outstanding Court approved costs would need to be paid in priority to other costs associated with the Schemes.

Both scenarios provide for the same approach to meeting the costs of the liquidation – in other words PPB Advisory is fee neutral under either a sale process or a replacement RE process.

10. When will I receive the next update and FAQ's

We hope to provide the next update as to progress on or around 19 April 2013.