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GUNNS PLANTATIONS LIMITED
ABN 36 091 232 209
AFSL NO. 238701
(Receivers & Managers Appointed) (In Liquidation) (GPL)

A WHOLLY OWNED SUBSIDIARY OF GUNNS LIMITED
ABN 29 09 478 148
(Receivers & Managers Appointed) (In Liquidation)(Gunns)

Grower update – 25 May 2016

This update relates to Gunns Plantations Woodlot Project 2004 (the Scheme)

(Excludes the Great Southern Plantation Schemes and all other GPL Woodlot Schemes)

This Grower update notifies you of GPL's intention to commence the process to wind up the Scheme. In particular, it addresses the following:

1. Why is the Scheme being wound up?
2. What does a Scheme wind-up mean for Growers?
3. Why commence the Scheme winding up process now?
4. How does the commencement of the Scheme wind-up impact Grower distributions?
5. What action do Growers need to take
6. Next steps

Attached to this update is a notice pursuant to section 601NC of the Corporations Act 2001 (the Act) formally notifying you of GPL's intention to commence the wind-up of the Scheme.

1. Why is the Scheme being wound up?

The Scheme is being wound up as the purpose of the Scheme can no longer be accomplished given:

- GPL, the responsible entity (RE) of the Scheme, is in liquidation
- no suitable RE has been found to replace GPL
- the vast majority of the assets of the Scheme have been either:
 - realised / converted to cash (or in are in the process of being realised)
 - terminated (in reference to remaining Scheme leases).
- GPL considers that, in all the circumstances, it is in the best interests of Growers to wind-up the Scheme.

Please refer to previous Grower updates for further background on the realisation and termination of Scheme Assets, particularly the Explanatory Notice dated 15 May 2015 and Grower updates detailing return estimates sent to Growers in April and May 2016. All Grower Updates are available at:

- www.ppbadvisory.com/creditor-information

2. What does this mean for Growers?

At this point there is no immediate impact on Growers. This is a notice of GPL's intention to commence the winding up of the Scheme. Your rights will remain unchanged until the winding up of the Scheme is completed, the timing of which is yet to be determined at this point, but will be after the:

- realisation of any residual Schemes assets; and
- distribution of Scheme funds, if applicable, to eligible Growers.

Disclaimer

Growers are encouraged to read this update in its entirety before making any decisions concerning their investment. Growers should make their own independent evaluation of the relevance and adequacy of the information contained herein.

PPB Advisory has not considered the investment objectives, financial situation or particular needs of individual Growers or any other person. Accordingly, this update should not be relied upon as the sole basis for any decision in relation to your investment. Growers should obtain and rely on professional advice from their own tax, legal, accounting and other professional advisers in respect of the Growers' investment objectives, financial position or particular needs.

3. Why commence the winding up now?

It is in the best interest of Growers to wind up the Scheme as soon as possible, because:

- the vast majority of the available assets of the Scheme have been realised, therefore there are limited reasons for continuing the Scheme
- it will not affect (alter) the forthcoming distribution process (see item 4 below)
- it will likely reduce costs as GPL continues to incur administration costs to maintain the Scheme.

4. How does this impact my distribution?

It doesn't. A Grower's entitlement to any proceeds from the sale of Scheme assets, net of associated costs and subject to any competing claims, remains unaffected by this process, if eligible.

We anticipate that the distribution process will commence prior to 30 June 2016. Please see separate Grower updates in relation to the distribution process.

5. What action do Growers need to take?

You are not required to take any action if you are content for the Scheme to be wound up.

If you do not want the Scheme to be wound up, you have the right under Division 1 of Part 2G.4 of the Act to call a meeting of Growers. In order to do so Growers will need to hold Scheme interests carrying at least 5% of the votes that may be cast at the meeting.

In accordance with the Act, the meeting needs to be called within 28 days of this notice and consider:

- the proposed winding up of the Scheme
- any extraordinary resolutions Growers propose about the winding up of the Scheme. In particular, if Growers consider that the Scheme can fulfil a purpose going forward, Growers will need to determine how Scheme costs are going to be funded to meet that purpose.

Please note in accordance with s252D(1) of the Act, members calling the meeting must pay the expenses of calling and holding the meeting.

Please review the attached formal notice of GPL's intention to wind-up the Scheme carefully to assess your options.

We recommend you seek independent advice if considering calling a Grower meeting.

For the reasons set out at sections 1 and 3 above, we believe it is in the best interest of Growers to wind up the Scheme.

6. Next steps

If a meeting is not called by Growers within 28 days of this notice, GPL will commence the winding up process for the Scheme in accordance with Part 5C.9 of the Act and the provisions of the Scheme Constitution.

We recommend that you seek independent advice to discuss this notice of winding up and how it affects your investment, including any loan agreement you have entered into to fund your investment.

Further questions?

If you have any further questions please address them to the following contacts:

Contact	Contact Phone Number	Contact Email Address
GPL Client Services	(03) 6364 3180	gunns@gunnsplantation.com
PPB Advisory	(03) 9269 4160	gunns@ppbadvisory.com

Gunns Plantations Limited
ABN: 36 091 232 209
(Receivers and Managers Appointed) (In Liquidation) (GPL)

Gunns Plantations Woodlot Project 2004
ARSN: 108 690 080 (the Scheme)

Notice of Proposal to Wind-up the Scheme

To: Growers in the Scheme

GPL, c/ of PPB Advisory, Level 21, 181 William Street, Melbourne, Victoria, the Responsible Entity (**RE**) of the Scheme, gives notice pursuant to section 601NC of the *Corporations Act 2001 (the Act)* that:

1. GPL proposes to wind up the Scheme, because it considers that the purpose of the Scheme can no longer be accomplished for the following reasons:
 - GPL, the RE of the Scheme, is in liquidation
 - no suitable RE has been found to replace GPL
 - a majority of the assets of the Scheme have been realised, or the underlying leases terminated
 - GPL considers that, in all the circumstance, it is in the best interests of Growers to wind up the Scheme.
2. Growers of the Scheme have the right under Division 1 of Part 2G.4 of the Act to call a meeting of Growers to consider the proposed winding up of the Scheme and to vote on any extraordinary resolutions Growers propose about the winding up of the Scheme.
3. GPL is permitted to commence the wind up of the Scheme unless a meeting of Growers is called to consider the winding up of the Scheme within 28 days of GPL giving this notice to Growers.
4. If no meeting is called within 28 days of this notice, GPL will wind up the Scheme in accordance with Part 5C.9 of the Act and the provisions of the Scheme Constitution.

Dated: 25 May 2016



Daniel Bryant, Craig Crosbie and Ian Carson
Liquidators