

Your vote is crucial
YOU MUST ACT NOW!

30 November 2009

Dear Grower

You should have received in the mail a Notice of Meeting and Scheme Booklet for the Great Southern Scheme(s) you have invested in, which provides detailed information of Gunns' proposal. The purpose of this letter is to provide you with a summary of the key features of our proposal and why we believe it is in your best interests, and explain why we consider we are the most capable party to deliver value for Growers.

It is important that you act now to enable Gunns to implement the best, most comprehensive solution for Growers. Failure to act might lead to a less attractive proposal being implemented or, potentially, to the winding up of the Schemes.

The proposal before Growers for each Scheme requires the support of 50% of all Growers in that Scheme and 75% of the votes represented at the meeting. **So every vote is important.**

Gunns will require court approval after the meetings. However, the court has found that the calling of the meetings by the Receivers is justified and reasonable.

It is important to understand that **if the PPPL proposal is approved by Growers on 10 December 2009 there may be no opportunity for Growers to consider the Gunns proposal** on 23 December 2009 as Great Southern Managers ("GSMAL") will no longer be the R.E. to conduct the meetings. If you wish to support Gunns' proposal it is therefore crucial that you follow the steps set out in the section "How you can support our proposal" on page 4 of this letter.

We understand that many Growers feel aggrieved by the collapse of the Great Southern Group. Gunns is trying to help find a solution for Growers which provides certainty and importantly, a return on their initial investments. We hope you will support our proposal.

Key features of our proposal

- ✓ Proposal to assume the role of Responsible Entity ("R.E.") for the 1998 to 2006 Great Southern forestry Schemes, taking over from GSMAL, which can no longer fund them.
- ✓ The Receivers, in their capacity as Receivers and Managers of GSMAL, recommend that Growers in the 1998 to 2006 Schemes vote in favour of the Gunns proposal, in the absence of a superior proposal.
- ✓ Growers are expected to receive a higher proportion of proceeds from the sale of their trees compared to PPPL's proposal.

- ✓ The restructure of fees will allow Gunns to cover the cash operating costs (e.g. maintenance, land lease and overhead) of completing the projects and allow them to be properly managed – estimated at \$100 million over the life of the Schemes.
- ✓ There are no additional upfront cash costs for Growers.
- ✓ Eliminates winding-up/fire sale risk (in the event that no proposal is accepted).
- ✓ Fully funds the management, operation, harvesting and sale of trees.
- ✓ Allows Growers to receive a return on their investment, noting that some Growers with interests where the leases have been terminated, mostly in the Tiwi Islands, will not be entitled to share in harvest proceeds as the relevant leases have been terminated and will not be re-instated.
- ✓ Delivers value for the opportunity to undertake a second rotation, which faces uncertainty over whether access to the land needed to undertake a second rotation could be secured, and whether any offer would be made to Growers, by reducing or waiving entirely the 2.5% rental fee for the 1998 to 2004 Schemes.
- ✓ Places the management of the Schemes in the hands of a highly experienced, leading Australian forest products company.
- ✓ Acquisition of various other non-Scheme assets of Great Southern that will be used by Gunns to service the Schemes and engagement of Great Southern forestry employees.

Growers are encouraged to read the entire General Meeting Booklet and all Supplementary Scheme Booklets provided to them, including the risks and disadvantages of the proposal in section 5 of the General Meeting Booklet (page 39 and following). This letter is just a high-level summary of the proposal.

Gunns' proposed fees

Scheme	Current R.E. % of Net Harvest Proceeds entitlement (excludes GST)	Additional % of Net Harvest Proceeds (excludes GST)	Waiver of rental fee (%)	Total % of Net Harvest Proceeds (excludes GST)
1998	5.50	1.50	(2.50)	4.50
1999	5.50	7.00	(2.50)	10.00
2000	5.50	12.00	(2.50)	15.00
2001	5.50	15.00	(2.25)	18.25
2002	5.50	22.00	(2.00)	25.50
2003	5.50	27.00	(2.25)	30.25
2004	5.50	32.00	(2.50)	35.00
2005	5.50	44.50	0.00	50.00
2006	5.50	49.50	0.00	55.00

Note: Additional costs incurred by the Receivers through the receivership and any other costs for which the responsible entity is entitled to be indemnified and reimbursed will also come out of harvest proceeds.

Comprehensive proposal with no additional upfront cash requirement for Growers

Why we are the most capable party to deliver value for Growers

Gunns has been in the forestry business for over 130 years and is Australia's largest integrated hardwood forest product company. Gunns

- owns over 280,000 ha of freehold estate;
 - manages over 300,000 ha of land for forestry use (in TAS, VIC, NSW & SA); and,
 - has existing processing operations in Green Triangle, WA and Tasmania
- Gunns Plantations Ltd, a subsidiary of Gunns, is the R.E. for its own managed investment projects and currently manages 15 projects in wood, wine grapes and walnuts with \$620 million of funds under management. We have a strong interest in the future of the industry which we believe is well placed to be a major supplier of pulpwood to world markets.

Gunns is in a strong financial position, having made \$56 million net profit in fiscal year 2009, a balance sheet with net assets of \$1.3 billion and a market capitalisation of approximately \$790 million. In addition, through its ASX listing, Gunns has access to capital markets.

Importantly, Gunns is a forestry player – not just a financial player. We have a long-term commitment to the industry.

Gunns is the logical party to act as the Responsible Entity for Great Southern's Schemes

Why Gunns' proposal is the best solution

- ✓ The Receivers, in their capacity as Receivers and Managers of GSMAL, recommend that Growers in the 1998 to 2006 Schemes vote in favour of the Gunns proposal, in the absence of a superior proposal.
- ✓ Superior economics to Growers who will receive the highest proportion from the sale of their trees. Gunns' fees are 15-40% less than those of PPPL for the 1998 to 2003 Schemes.
- ✓ Delivers value for the potential opportunity to undertake a second rotation which faces uncertainty over whether access to the land needed to undertake a second rotation can be secured and whether any offer would be made to Growers.
- ✓ Formal offer for 1998 to 2006 Schemes. PPPL has not made a formal offer to Growers in the 2004 to 2006 Schemes – its proposals include 2004 to 2007 Schemes but are still indicative at this stage.
- ✓ Contrary to PPPL, Gunns has reached agreement in relation to termination of contracts with Great Southern Group members relating to the right to harvest, market and sell timber.
- ✓ Provides more certainty to Growers than the Black Tree proposal.
 - We understand their proposal, which has not yet been formalised, is to take over the management of the forestry business but not to immediately replace GSMAL as R.E.
 - Replacement of GSMAL is dependent upon a successful capital raising by Black Tree .
 - GSMAL is insolvent, in liquidation and subject to control by the Receivers and Managers. Unless reformulated, the Black Tree proposal does not provide certainty for Growers regarding their exposure to an insolvent R.E.

Gunns' proposal is the best, most comprehensive solution for Growers

How you can support our proposal

To support our proposal please sign both the WHITE and BLUE proxy forms enclosed and mail in their corresponding envelopes:

1. Vote **against** the PPPL proposal by signing the BLUE FORM and mailing with a postage stamp in the BLUE ENVELOPE. Note that this is applicable to Growers who have invested in the 1998 to 2003 Schemes only.

The blue form must be received by **10AM Perth time TUESDAY 8 DECEMBER 2009.**

You can also FAX the BLUE FORM to 02 9287 0309.

If you require replacement proxy forms, you will find these on the website www.gunns.com.au.

2. Vote **in favour** of our proposal by signing the WHITE FORM and mailing with a postage stamp in the WHITE ENVELOPE.

The white form must be received by **11AM AEDST MONDAY 21 December 2009.**

You can also FAX the WHITE FORM to 03 9473 2555.

If you require replacement proxy forms, you will find these on the website www.gunns.com.au.

If you have any questions about our proposal or the voting process please CALL the information line on 1800 242 300.

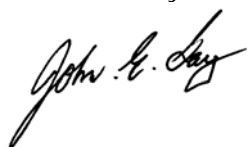
Key contacts

Website:	www.gunns.com.au
Email:	groweroffer@gunns.com.au
Information line:	1800 242 300
Grower register queries:	1800 258 348

Key dates

Grower Meeting:	11am, 23 December 2009. Venue: City Recital Hall, 2-12 Angel Place, Sydney NSW 2000
Proxy Votes:	The BLUE FORM must be received by 10AM Perth time Tuesday 8 December 2009. The WHITE FORM must be received by 11AM AEDST Monday 21 December 2009

Yours faithfully,



John Gay
Chairman
Gunns Plantations Limited