



10 February 2010

Dear Grower,

Gunns Plantations Ltd (GPL) has received approval from Growers to be appointed as the new Responsible Entity (RE) for the 1998-2006 Great Southern Managers Australia Limited (Great Southern) pulpwood schemes (Schemes).

### **Grower meeting outcomes**

As a consequence of Grower meetings held on 23<sup>rd</sup> December 2009 and 4<sup>th</sup> Jan 2010 (and subsequent court determinations), GPL took over as RE on the 31<sup>st</sup> December 2009 (1998 - 2005 schemes) and the 5<sup>th</sup> January 2010 (2006 scheme). GPL has become the party to the Grower agreements, such as land and management agreements.

For full details of amendments to each Scheme constitution, please refer to the scheme booklets mailed to you in December 2009, or alternatively you can visit our website at [www.gunns.com.au](http://www.gunns.com.au).

### **Growers with woodlots located on land with terminated leases**

You have been sent this circular because you had woodlots on land formerly leased by the Great Southern Group from third parties, where those leases have been terminated.

#### **1. Background to termination of leases**

On 18 September 2009, the Receivers wrote to Growers advising that they would not be able to pay rent due on 1 October 2009 in respect of certain lands due to lack of funding. On 30 September 2009, the Receivers wrote to third party landlords to cease the Receivers' rent liability under the leases.

On 1 October 2009, the Tiwi Land Council terminated all head leases on the Tiwi Islands. The receivers advised Growers shortly thereafter. In November 2009, five third party landlords also terminated their leases.

#### **2. Effect of termination of leases**

On 17 November 2009, the Receivers advised Growers that where a head lease had been terminated, the Growers' interest in their woodlots was automatically forfeited. The Receivers advised that affected Growers were no longer entitled to share in the net harvest proceeds from the Schemes.

The status of these woodlots at the time when the Grower meetings were convened was also described in the booklets circulated to Growers by the Receivers.

#### **3. Independent Forester's Report and Annual Report**

Growers who no longer have woodlots as the result of the lease terminations still have a right to be sent an annual Independent Forester's Report and Annual Reports until the

relevant scheme has concluded but will not share in any harvest proceeds. We understand that some Growers may no longer wish to receive these reports.

**To opt out of receiving future annual Independent Forester's Reports and Annual Reports please email your request to [gunns.plantations@gunns.com.au](mailto:gunns.plantations@gunns.com.au)**

## Communications

Included with this circular you will find an Investor Details Form which we would like you to check. The information it contains was passed to us from the Receivers and may be out of date. In the case of Companies, Trusts and Superfunds we need to have a primary contact person and their details.

**If you still want to receive annual Independent Forester's Reports and Annual Reports please include your email address if you have one.**

Please return the form to:

- By Freecall facsimile 1800 703 323 marked Attention : Client Services, or
- By mail to:  
Gunns Plantations Ltd  
Attention : Client Services  
P.O Box 588  
Launceston,  
TASMANIA 7250

As mentioned above, **to opt out of receiving future annual Independent Forester's Reports and Annual Reports please email your request to [gunns.plantations@gunns.com.au](mailto:gunns.plantations@gunns.com.au)**

## Growers with forfeited and valid woodlots

Some Growers who have woodlots on land where the leases have been terminated also hold woodlots on other land. A separate circular has been sent to Growers with valid woodlots which outlines how their woodlots will be managed by GPL.

If you have any questions in regard to your investment, please contact your adviser or refer to the Frequently Asked Questions on the Gunns Website: [www.gunns.com.au](http://www.gunns.com.au). Alternatively you can contact us by email on [gunns.plantations@gunns.com.au](mailto:gunns.plantations@gunns.com.au) or phone us on freecall 1800 015 023.

Please note, that in relation to Great Southern Schemes other than the 1998 – 2006 pulpwood forestry schemes, Great Southern continue to be the contact. They can be contacted on Freecall 1800 258 348.

Yours faithfully,



Ian Blanden  
General Manager

Attachment: Investor Details Form