



*From the desk of  
Kristen McPhail*



## **FEA's shares are temporarily suspended – our business is not**

### **Good Morning**

By now, you should be aware that Forest Enterprises Australia Limited (FEA) last week **requested a suspension of its shares** pending the **outcome of negotiations** with its financiers over **FEA's plan for asset realisation**.

**The plan aims to** allow the Company **to repay the majority of its current bank debt** and pave the way for **a return to profitability** as the markets for its core businesses improve over time.

However, **FEA's day-to-day operations continue**.

"It's actually a **busy period for FEA**," said **Andrew White**, Chief Executive Officer.



"We have **completed planting** for **FEA Plantations Project 2009** ARSN 136 438 616 and **FEA Plantations Project 2008** ARSN 129 750 296 – **ahead** of statutory requirements – and have **nearly completed all fertilising** requirements for these projects too.

"In the last 4 months we have **successfully treated approximately 12,000 hectares for weed and insect control**.

"**Premiums** for all investors requesting insurance **have been paid** for the insurance period ending 30 September 2010 and all current **lease obligations have been met**.

"We are also currently **clearfall harvesting our second forestry investment project, Tasmanian Forests Trust No 2** ARSN 093 165 505 (1994 Project) in northern Tasmania.

"**Thinning harvest of Tasmanian Forests Trust No 7** ARSN 093 164 866 (1999 Project) and **Tasmanian Forests Project 2000** ARSN 092 500 984 is **also continuing**.

**“Harvest proceeds are being paid into the Custodian’s accounts** and payments to investors in these projects will be made in due course.

“Our **Bell Bay sawmill** and timber processing facility is **operating at its expected capacity**, and we are **actively marketing the BassPine®** timber products it is currently producing.

“Likewise, our **SmartFibre** wood fibre processing and export facility is also **operating as normal**.

“So, although FEA’s shares are currently suspended, **our normal operations are not affected**.

“Negotiations with our financiers continue, and we **remain optimistic** that they can result in **an agreement that is mutually beneficial for FEA and its financiers as soon as possible**,” concluded Mr White.

We’ll be back in touch shortly, but in the meantime, if you require any further assistance, please **contact your local FEA Forestry Investment team member** – their details are listed below, **Freecall 1800 600 009** or email [marketing@fealtd.com](mailto:marketing@fealtd.com)

**Kind regards,**

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