

FREQUENTLY ASKED QUESTIONS

Last updated 21 December 2010

**WILLMOTT FORESTS LTD
ACN 063 263 650**

**WILLMOTT FINANCE PTY LTD
ACN 081 274 811**

**WILLMOTT FOREST PRODUCTS
PTY LTD
ACN 103 019 094**

**WILLMOTT FORESTS INVESTMENT
MANAGEMENT PTY LTD
ACN 098 718 837**

**WILLMOTT FOREST NOMINEES PTY
LTD
ACN 085 588 772**

**WILLMOTT ENERGY PTY LTD
ACN 130 251 759**

**WILLMOTT SUBSCRIBER PTY LTD
ACN 134 963 027**

**BIOENERGY AUSTRALIA PTY LTD
ACN 096 335 901**

**BIOFOREST LTD
ACN 096 335 876**

**WILLMOTT NOTES PTY LTD
ACN 134 963 036**

**(ALL ADMINISTRATORS APPOINTED)
(ALL RECEIVERS AND MANAGERS APPOINTED) (THE WILLMOTT GROUP)**

Below are some Frequently Asked Questions (FAQ) to assist you with common queries that you may have regarding the administration process of the Willmott Group. The answers are not intended to represent advice or detailed responses. In the event that you have specific queries with respect to your rights or obligations, we strongly recommend that you obtain your own independent advice.

These FAQs will continue to be updated throughout the administration process and we encourage you to refer to the PPB website at www.ppb.com.au for any future updates. However, if your query is not answered via the FAQ then you may refer specific individual queries to willmott@ppb.com.au.

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1. What is PPB's role as Administrators of the Willmott Group?

On 26 October 2010 Ian Carson and Craig Crosbie of PPB were appointed Administrators of the Willmott Group by order of the Federal Court of Australia. This appointment replaced Mr Avitus Fernandez who was appointed Administrator on 6 September 2010.

Messrs Korda, Mentha and Webster of Korda Mentha were appointed Receivers and Managers of the Willmott Group on 6 September 2010 by the Willmott Group's banking syndicate.

Willmott Forests Ltd (WFL) acts as responsible entity/manager/trustee over a number of registered and unregistered managed investment schemes (MIS). Control of this role is now the responsibility of the Administrators. The Administrators are currently undertaking an urgent assessment of the viability of the various schemes in the Willmott Group and all stakeholders shall be updated once this process is complete.

The Administrators have assumed control of any assets of the Willmott Group not under the control of the Receivers & Managers.

One of the key roles of the Administrators is to conduct investigations into the business, affairs and financial circumstances of the Willmott Group and report back to creditors.

2. What is the difference in functions between the Administrators and Receivers and Managers?

The role of the Receivers and Managers is to take control of the assets covered by the banking syndicate's security with a view to realising those assets for the benefit of the banks concerned. The Receivers and Managers are currently in control of the business and assets subject to the syndicate's security.

The Receivers and Managers also continue to control WFL's role as Responsible Entity over seven unregistered MIS schemes, namely: Taylor Singer No. 1 Partnership (1980), Taylor Singer No. 5 Partnership (1980), Taylor Singer No. 2 Partnership (1981), Taylor Singer No. 3 Partnership (1981) and Taylor Singer No. 6 Partnership (1981), 1980 and 1981.

The Receivers & Managers' primary concern is the interests of the banking syndicate. The role of the Administrators is to act in the best interests of all creditors.

WFL acts as responsible entity/manager/trustee over a number of registered and unregistered MIS and as such has statutory responsibilities to growers/investors in the various schemes. As outlined earlier, control of this role is now the responsibility of the Administrators.

3. How can I stay informed about the administration of the Willmott Group?

Should you be a member of a Growers Group, we suggest that you contact your respective group for more detailed information. We are currently holding regular meetings with representatives from both the Willmott Growers Group and the Willmott Action Group, and shall continue to liaise closely with both groups moving forward.

PPB will further be providing regular updates on our website www.ppb.com.au. For specific enquiries unanswerable by this document, please email willmott@ppb.com.au and we will endeavour to respond to your queries as soon as possible.

4. How can I obtain copies of my project documents, including my PDS, contract, product rulings, statements and invoices?

Creditors and Grower investors should contact the Willmott Forests Head Office on: 1800 801 866 or (03) 9696 1355 to obtain all relevant documentation.

5. Should I continue to make repayments on my loan relating to MIS projects?

We recommend that you seek your own independent legal advice regarding your rights and obligations. However, we note any failure to make repayments may be a default in your loan agreement which may be legally pursued.

6. What is happening with the Willmott Group insurance coverage?

Willmott Group's insurer, Agricola Crop Insurance, has advised that a new Standing Timber Insurance Policy commenced on 1 October 2010 and currently remains in place until 15 December 2010. However, for individual growers to be insured beyond 10 December 2010 until the policy expires on 30 September 2011, they will have to:

- elect to extend insurance cover; and
- pay the necessary premium by the due date.

The Administrators will shortly write to all grower investors to provide details of the insurer's offer and advise how payment can be made. For further information in regard to this matter, please contact Willmott Head Office on: 1800 801 866.

7. What is the status of the current insurance claim regarding hail damage?

The Administrators are aware of an insurance claim following significant hail damage at a number of plantations in February 2009 and we are currently investigating this claim further. We shall update the relevant growers when this investigation is complete.

8. Is there any harvesting or thinning of plantations currently underway?

The Receivers and Managers have advised that thinning of certain plantations is currently being conducted by external contractors. Proceeds from the thinning shall first be used to cover the costs of the external contractors undertaking the work. All remaining proceeds shall then be held in trust to be distributed to the relevant grower investors in due course.

9. What is the status of the proceeds from thinning carried out prior to the administration of the Willmott Group?

The Responsible Entity is required to hold on trust the proceeds from the thinning or harvesting of plantations for grower investors in the relevant schemes. There is currently a sum of money held in a trust account under the control of the Receivers and Managers, who are undertaking a review of the schemes to which the proceeds relate. Once these proceeds are provided by the Receivers and Managers, the Administrators will distribute the funds to the relevant grower investors.

10. I understand the Administrators recently advertised for expressions of interest in regard to the Willmott Group. What does this mean?

From 12 November 2010, the Administrators commenced an advertising campaign calling for expressions of interest (EOI) in any of the following:

- assuming the obligations of Responsible Entity/Manager for any or all of the registered and unregistered Managed Investment Schemes;
- restructure of the Group's affairs or its business; and
- recapitalisation of the Group.

The EOI are due to be submitted by no later than 30 November 2010.

The purpose of the advertisement is to 'test the market' to determine what level of interest the market has in the Willmott Group assets. Once the EOI have been received, an assessment can be made as to the best way to unlock value for creditors/growers.

11. When will PPB provide information and strategies relating to individual MIS schemes?

The Administrators are urgently conducting a viability analysis on each individual Willmott Group MIS. Growers will no doubt appreciate that this will be a time consuming and complex process. A part of this process will include assessing the EOI received (see Q.10 above).

12. Are grower investors considered creditors of the Willmott Group?

This is a legal question which needs to be determined on the facts of each case. In certain circumstances grower investors may be entitled to claim as an unsecured creditor. At this stage the Administrators have not made any determination as to whether growers are creditors.

13. What is the status of tax deductibility for the 2009/2010 investments?

The Administrators are not in a position to advise on the tax deductibility of investments in Willmott Group MIS and suggest that investors seek independent advice and/or refer to the ATO website for further information:

<http://www.ato.gov.au/atp/content.asp?doc=/content/00193782.htm>

14. Should grower investors lodge a Proof of Debt form in the administration?

While we are still investigating whether growers may have a claim as creditors against the Willmott Group, we encourage any growers who believe they may have a legitimate claim against the Willmott Group to lodge with the Administrators an Informal Proof of Debt form (see Question 15 below).

15. How do I lodge a creditor's claim in the administration?

Creditors should complete a Form 535 – Informal Proof of Debt, which can be found on the PPB website at www.ppb.com.au. Creditors should attach all relevant supporting documentation and send it through to either of the following:

Email: willmott@ppb.com.au; or
Mail: Willmott Group
c/- PPB
Level 21, 181 William Street
Melbourne VIC 3000

16. When will the Administrators hold the second meeting of creditors?

A first meeting of creditors was held by the former Administrator on 28 September 2010.

Pursuant to Section 439A of the Corporations Act 2001 (*Cth*) a second meeting of creditors must be held within five business days before or after the end of the convening period. On 26 October 2010 the Court made an order extending the convening period for the Willmott Group up to and including 13 December 2010, which has since been extended to 15 February 2011.

As the administration of the Willmott Group progresses, the Administrators may deem it appropriate due to the nature and complexity of the administration to make an application to Court to extend the convening period to a later date.

One of the main functions of the second meeting of creditors is to enable creditors to decide the future of the company concerned. In this regard, the creditors may resolve:

- that the company execute a deed of company arrangement; or
- that the administration should end (and control revert to the directors); or
- that the company be wound up, i.e. placed in liquidation.

The Administrators will outline their recommendation as to the future of the Willmott Group in a detailed report which will be issued to all creditors/growers approximately 1 week before the second meeting of creditors.

17. Will meetings of the grower investors be held for each of the schemes?

The Administrators are currently conducting regular meetings with representatives from both the Willmott Growers Group and the Willmott Action Group and shall continue to liaise closely with both groups moving forward. The Administrators will examine the requirement to convene meetings for grower investors once the analysis of the viability and continuing operational requirements of each scheme has been completed. Grower investors will be given sufficient notice of any meetings which are convened.

18. What is the standing of current shareholdings in Willmott Forests Ltd?

During the period of the administration the position of the company's shareholders is frozen. A transfer of shares can only occur with the consent of the Administrators or the court. The Administrators must be satisfied that any transfer is in the best interests of the company's creditors as a whole. At this point in time the Administrators do not believe it is in the best interest of the Company to allow the transfer of any shares.