

Introducing..
New high-value tropical timber



FEA PLANTATIONS Project 2009

ARSN: 136 438 616

FEA Plantations Limited ABN: 44 055 969 429 AFSL No: 243 515

Project and Finance Summary

An innovative forestry investment from a leading vertically integrated forestry and forest products company

For initial assessment, completed finance applications (with attached supporting documentation) may be faxed or emailed and must be received by 5.00pm Friday 26th June 2009. Original documentation must be received by 5.00pm Monday 29th June 2009.



innovation - choice - flexibility - opportunity - value



	EcoAsh® Your Plantation Hardwood Option 1	EcoAshclear® Option 2	BassPine® Your Plantation Softwood Option 3	KHAYA™ MAHOGANY Option 4	Diversified Forestry Offer Option 5
Lonsec	Recommended	Recommended	Recommended	Recommended	Recommended
AAG	★★★★	★★★★	★★★★	★★★¾	★★★★
Adviser Edge	★★★★	★★★★¼	★★★★	★★★½	★★★★¼
Van Eyk Research	Endorsed	Endorsed	Endorsed	Not Applicable	Endorsed

FEA Plantations Limited has issued a Product Disclosure Statement (PDS) offering an opportunity to invest in the FEA Plantations Project 2009 (Project ARSN: 136 438 616). You can only apply for an interest in the Project by completing an application form in the PDS. You should consider the PDS in deciding whether to invest in the Project or whether to continue to hold an investment in the Project. You should also consider whether an investment in the Project is appropriate for you.

This project and finance summary contains a summary of the Project and the alternatives which will be available for investors into the Project. This summary is not a substitute for the PDS. To receive a copy of the PDS containing the offer for the Project, please contact FEA Plantations on Freecall 1800 600 009, by emailing marketing@fealtd.com, by mail at PO Box 733, Launceston TAS 7250 or visit www.fealtd.com

choice



EcoAsh® Your Plantation Hardwood

Woodlot Option 1 – EcoAsh®

This Woodlot Option will involve growing Eucalypt[#] hardwood logs to manufacture EcoAsh® sawn timber and SmartFibre wood fibre. Scheduled income at about 9 years of age (thinning) and about 13 years of age (clearfall).



EcoAshclear®

Woodlot Option 2 – EcoAshclear®

This Woodlot Option will involve growing Eucalypt[#] hardwood logs to manufacture EcoAshclear® veneer and high-grade sawn timber and SmartFibre wood fibre. Scheduled income at about 9 years of age (thinning) and about 16 years of age (clearfall).

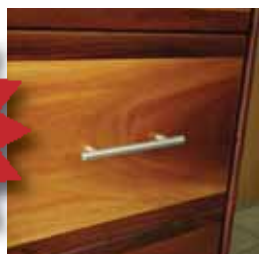


BassPine® Your Plantation Softwood

Woodlot Option 3 – BassPine®

This Woodlot Option will involve growing Radiata pine softwood logs to manufacture BassPine® sawn timber and SmartFibre wood fibre. Scheduled income at about 13 and 18 years of age (thinning) and about 25 years of age (clearfall). Given the longer term of Woodlot Option 3, a buy-back offer for Woodlots will be made at around 15 years of age.

**NEW
FOR 2009**
– high-value
tropical timber



KHAYA™ MAHOGANY

Woodlot Option 4 – Khaya Mahogany™

This Woodlot Option will involve growing tropical, high-value African mahogany hardwood logs to manufacture Khaya Mahogany™ rough sawn timber for domestic and overseas markets. Scheduled income at about 11 years of age (thinning) and about 18 years of age (clearfall).



A ready-made diversified forestry investment portfolio



Woodlot Option 5 – Diversified Forestry Offer

This Woodlot Option will create a ready-made diversified forestry investment portfolio by combining a fixed ratio of Woodlot Options 1, 2, 3, and 4 – at an approximate 5% discount. Scheduled income at about 9, 11, 13 and 18 years of age (thinning) and about 13, 16, 18 and 25 years of age (clearfall).

OPPORTUNITY

Invest in a blend of forestry investments offered by FEA Plantations - a proven forestry manager

FEA Plantations Project 2009 offers the opportunity to blend a balanced forestry investment portfolio across a range of proven tree species - such as Eucalypt[#] hardwood and Radiata pine softwood - and to include a proportion of high-value African mahogany.

You can blend your investment across a diverse range of investment terms, potential income streams and end products - including EcoAsh®, EcoAshclear® and BassPine® value added, branded

hardwood and softwood sawn timber products and high-value Khaya Mahogany™ - for a range of domestic and export markets.

The proportion of logs not suitable for sawn timber will be processed and exported as wood fibre.

Take advantage of the blending opportunity that FEA Plantations Project 2009 offers through the wide range of options that may suit your individual needs and preferred risk and return profile - or consider taking advantage of our ready-made Diversified Forestry Offer.

[#]Eucalypt means selected species of the Eucalypt and Corymbia genera. The species to be planted are identified in the Independent Forester's Report. A summary of this is included in the PDS and the full report is available upon request.

A successful forestry manager with a sound business model

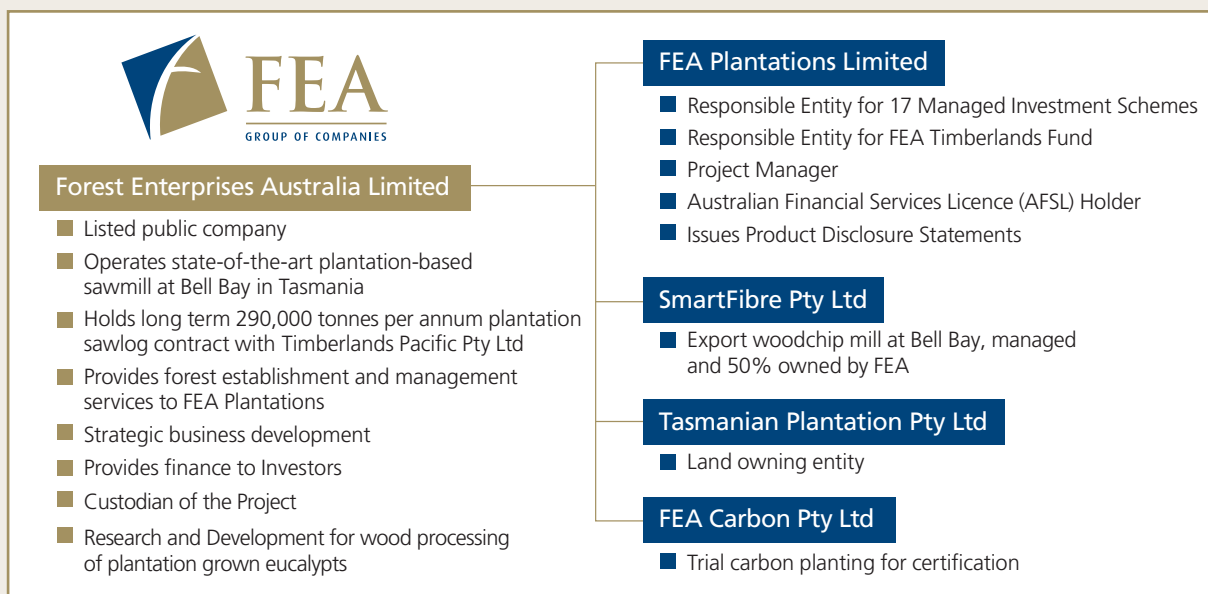
Forest Enterprises Australia Limited (FEA) is an ASX-listed, vertically integrated forestry and forest products company established in 1985. It is the parent company of FEA Plantations Limited (FEA Plantations).

FEA Plantations Project 2009 (Project) is FEA Plantations' 17th consecutive forestry investment.

FEA is Tasmania's largest plantation sawmiller and has been a plantation forestry manager for more than 23 years.

In 2008, the FEA group clearfall harvested its first forestry investment project (The Tasmanian Forests Trust No 1 ARSN 093 165 210) and delivered returns to investors in excess of prospectus projections with a before-tax IRR of 13.3% pa and an after-tax IRR of 7.3% pa¹.

The FEA group has total landholdings of almost 92,000 hectares and manages a plantation estate in excess of 72,000 hectares in Tasmania, northern New South Wales and South East Queensland on behalf of more than 11,000 investors.



FEA is also a substantial forest products processor. It has a long-term contract to purchase 290,000 tonnes per year of plantation softwood, and owns and operates a state-of-the-art \$72 million sawmill and timber processing facility at Bell Bay in northern Tasmania.

In 2009-10, the facility aims to process 400,000 tonnes of plantation pine softwood and Eucalypt hardwood and market these products under FEA's BassPine® and EcoAsh® timber brands.

FEA also manages the joint-venture SmartFibre Pty Ltd (SmartFibre) wood fibre processing and export facility at Bell Bay.

Last year, SmartFibre exported over 500,000 tonnes of wood fibre.

For the forestry investor, FEA's vertically integrated processing capacity creates a value chain – from plantation to finished product.

This value chain provides the opportunity for FEA to aim to optimise returns by offering prices for investors' wood that reflect the higher prices FEA is able to realise for value-added, branded products manufactured from this sustainable plantation timber.

Forestry Expertise

FEA is one of the largest, longest-established and most experienced plantation forestry investment managers in Australia.

Its national forestry headquarters is located in Lismore, New South Wales, and a full time forestry team of 45 staff operates in Tasmania, New South Wales, South East Queensland and the Northern Territory. FEA's highly qualified and experienced forestry management team also supervises contractors and up to 150 of their staff on any one day.

Key FEA forestry advantages:

- Land selection:** FEA only establishes plantations in areas of Tasmania, northern New South Wales, South East Queensland and the Northern Territory with good quality soils and an annual minimum average rainfall of 800mm to 1100mm or more;
- Species selection:** FEA uses genetically improved (not modified) seed and seedlings and matches tree species to plantation locations;




- High planting density:** A high rate of 1,200 stems per hectare are planted for Eucalypt[#] and African mahogany hardwood and 1,330 stems per hectare for Radiata pine softwood;
- Thinning:** Thinning plantations during their growth provides potential early income for investors and also potentially more valuable trees at clearfall harvest; and
- Stocking guarantee:** Investors are guaranteed a stocking rate of 90% of the original stems planted for 3 years from the date they are registered as the holder of the Woodlot or the commencement of general insurance cover for the plantations, whichever is the earlier. If necessary, replacement seedlings will be planted at no cost to the investor to maintain this minimum stocking density during the stocking guarantee.

¹Before-tax return takes into account 100% tax deductibility of investors' costs, but does not include tax payable on harvest proceeds. After-tax return takes into account 100% tax deductibility of investors' costs and includes tax payable on harvest proceeds. Calculations are based on top marginal tax rates.

Past performance is not indicative of future performance and FEA Plantations is not able to guarantee the performance of the plantations established for the Project nor any financial return to investors.

Invest in a blend of forestry investments offered by FEA Plantations - a proven forestry manager

Woodlot Options summary

Investment Options					
	 Your Plantation Hardwood Woodlot Option 1	 Woodlot Option 2	 Your Plantation Softwood Woodlot Option 3	 MAHOGANY Woodlot Option 4	Diversified Forestry Offer Woodlot Option 5
Woodlot size	½ hectare	½ hectare	½ hectare	½ hectare	3 ½ hectares
Timber and Products	Hardwood Eucalypt [#] sawlogs to manufacture EcoAsh [®] sawn timber and SmartFibre wood fibre	Hardwood Eucalypt [#] sawlogs to manufacture EcoAshclear [®] veneer and high-grade sawn timber, EcoAsh [®] sawn timber and SmartFibre wood fibre	Softwood Radiata pine sawlogs to manufacture BassPine [®] sawn timber and SmartFibre wood fibre	High-value African mahogany hardwood marketed as Khaya Mahogany [™] sawn timber for use in the furniture and building industries	Combined: Option 1: 4 woodlots Option 2: 1 woodlot Option 3: 1 woodlot Option 4: 1 woodlot
Establishment Fee ¹	\$3,450	\$3,450	\$3,450	\$3,450	\$23,000 (approximate 5% discount)
Investment Term ²	14 years	17 years	26 years	19 years	26 years
Expected Returns – Thinnings Harvest ²	Year 9	Year 9	Years 13 and 18	Year 11	Years 9, 11, 13 and 18
Expected Returns – Clearfall Harvest ²	Year 13	Year 16	Year 25	Year 18	Years 13, 16, 18 and 25
Buy-back Offer ³	Not applicable	Not applicable	Year 15	Not applicable	Option 3 woodlots only Year 15
Land Sourcing and Management Fees	No annual payments 18% of gross Harvest Proceeds	No annual payments 18% of gross Harvest Proceeds	No annual payments 15% of gross Harvest Proceeds	No annual payments 20% of gross Harvest Proceeds	No annual payments Option 1 and 2 woodlots 18% of gross harvest proceeds Option 3 woodlots 15% of gross harvest proceeds Option 4 woodlots 20% of gross harvest proceeds
Pruning Fees ⁴	Not applicable	Year 3 \$385 Year 5 \$405 Year 7 \$430	Not applicable	Not applicable ⁵	Option 2 woodlots only Year 3 \$385 Year 5 \$405 Year 7 \$430

[#]Eucalypt means selected species of the Eucalypt and Corymbia genera. The species to be planted are identified in the Independent Forester's Report. A summary of this is included in the PDS and the full report is available upon request.

¹The establishment fee is not subject to GST.

²The years stated for investment terms, thinnings and clearfall harvests are estimates only and will be determined by FEA Plantations based on the market conditions, the advice of the Independent Forester and the growth rates of the plantations.

³The buy back offer is expected to be made when the trees are around 15 years of age.

⁴The pruning fees are not subject to GST and will be increased in accordance with CPI from 31 December 2008.

⁵The African mahogany hardwood trees may be pruned up to 3 times during their early growth at no additional cost to the investor.

The establishment fee, pruning fees (if applicable), land sourcing and management fees and interest on finance are 100% tax deductible – supported by Australian Taxation Office Product Rulings PR 2009/23, PR 2009/24, PR 2009/25, PR 2009/26 and PR 2009/27.

Information regarding the tax implications of investing in the Project is included in the PDS.

The FEA Value Chain

We don't grow timber to produce woodchips. We aim to produce sawlogs.

An investment in forestry is ultimately an investment in forest products, and a good forestry investment optimises the value of the end products it produces.

Where many forestry investments are predicated on the basis that all timber produced will be sold as relatively low-value woodchips, FEA Plantations aims to manage plantations so they can recover the highest possible proportion of sawlogs, which should be sold at a higher price than pulplogs for woodchips.

When you invest in plantation forestry with FEA Plantations, you're growing timber for a range of high-value branded products with proven existing markets.



1

FEA selects high-quality plantation land with 800mm to 1100mm annual average rainfall and establishes plantations at a high-density stocking rate.



2

Plantations are maintained, fertilised and thinned as they grow towards final clearfall harvest.



3

At clearfall harvest, investors' returns are optimised by recovering the highest possible proportion of higher-value sawlogs to pulp logs.



4

These sawlogs are processed by FEA into a range of sawn timber and treated products for domestic and international markets.



5

FEA aims to process the highest possible proportion of investors' timber as EcoAsh®, EcoAshclear®, BassPine® and Khaya Mahogany™ timber products – optimising their return through value-added, branded products.



6

Logs that are not suitable for sawn timber are processed by SmartFibre Pty Ltd, combined with sawmill residue and exported or sold locally as wood fibre for high-quality paper and paper products, or potentially manufactured into reconstituted boards for building products.



– an exciting new opportunity

The introduction of African mahogany – branded and to be marketed as Khaya Mahogany™ by FEA – into FEA Plantations Project 2009 offers investors the option of investment in a high-value exotic tropical timber – managed by a large-scale and well-established forestry and forest products manager.

Mahogany is the common name for a broad range of tree species – the timber from which has been traded around the world from the middle of the 16th century. ‘True’ mahogany, of the genus *Swietenia* was, it is reputed, introduced to England from the West Indies by Sir Walter Raleigh, and the popularity of the wood increased steadily through the 18th century.

African mahogany is the name of a range of Khaya species which grow naturally in forests in African countries from Senegal to the Congo in West Africa across to Sudan and Uganda.

African mahogany became more commonly used in Europe towards the end of the 19th century to supplement diminishing supplies of *Swietenia* mahogany from South America.

It is widely recognised that there are reducing supplies of tropical hardwoods globally – including African mahogany – as a result of over-harvesting and illegal logging in developing countries, and it appears the timber resource will continue to come under pressure.

Therefore, demand for high quality plantation grown mahogany is expected to outstrip supply.

African mahogany is one of the world’s finest and most valuable timbers. The heartwood has a rich, red colour, is easily worked, takes a high polish and is strong and durable. It is also remarkably decay and termite resistant.

In Europe, the United Kingdom and the United States, African mahogany is in strong demand for high quality furniture and cabinetry, panels, boat building, veneers, office and shop fixtures, staircases banisters and handrails and domestic flooring.



A stunning desk crafted from beautiful, rich African mahogany

FEA is enthusiastic about African mahogany and the potential it offers.

Khaya Mahogany™ offers investors the opportunity to potentially achieve high returns from a recognised high-value tropical timber in demand across the world.

And, when you invest in this magnificent timber through FEA Plantations Project 2009, you have the added benefit of knowing that your plantation will be maintained by one of Australia’s largest and most successful forestry managers. FEA’s forestry expertise and resources have resulted in the development of a solid track record as a forest processor and marketer of high-value branded timber products.

Investors should be aware that African mahogany is not yet proven as a commercial plantation tree species in Australia. Therefore, Woodlot Option 4 should be considered as having additional risks as it will involve growing a timber species which is currently untested by FEA.



Three year old African mahogany plantation on the Northern Territory property, M’Oganwo Station

A wide range of finance options

A wide range of competitive finance options is available for investors in FEA Plantations Project 2009.

Finance does not form part of the Project and will be a separate arrangement between the investor and the financier selected.

	Commonwealth Bank of Australia			Forest Enterprises Australia Limited		Availability
	P&I Loans	Loans Less than \$100,000 (indicative*)	Loans \$100,000 or greater (indicative*)	Principal Only and P&I Loans	Any Amount	
Term and Interest Rate (All rates are indicative only*) Rates current as at 4 May 2009	1 year – fixed	9.65%	8.40%	1 year	Interest free	All Options
	1 year – variable	10.74%	9.49%	2 year – fixed	10.75%	All Options
	3 years – fixed	10.70%	9.45%			All Options
	3 years – variable	10.74%	9.49%			All Options
	5 years – fixed	11.30%	10.05%			All Options
	5 years – variable	10.74%	9.49%			All Options
	7 years – fixed	11.60%	10.35%			All Options
	7 years – variable	10.74%	9.49%			All Options
	10 years - fixed	11.85%	10.60%			All Options
	10 years – variable	10.74%	9.49%			All Options
	12 years – fixed	11.90%	10.65%			Options 2, 3, 4 and 5 only
	12 years – variable	10.74%	9.49%			Options 2, 3, 4 and 5 only
	15 years – fixed	11.95%	10.70%			Options 3 and 5 only
	15 years – variable	10.74%	9.49%			Options 3 and 5 only
	Minimum Loan	Fixed rate - \$10,000 Variable rate -\$4,000			No minimum	
Maximum Loan	\$250,000. Loans above this amount can be submitted for consideration.			No maximum		
Interest Only Period Availability	Options 2, 3, 4 and 5: 3 year interest only period available for all loan terms greater than 3 years. Option 1: 2 year interest only period available for all loan terms greater than 3 years.			None		
Deposit Required	Optional			20% minimum		
Repayments Commence	1st day of the month after notification by Bank			31 July 2009		
Application Fee	\$250 or 0.25% of the loan amount, whichever is greater (can be capitalised)			Same as CBA		
How to Apply	Complete Finance Application Pack			Same as CBA		
Assessment	Statement of Position and Proof of Income			Same as CBA		

*All rates are indicative only and will be confirmed at time of funding.

This is a summary only of the finance options available to Investors in FEA Plantations Project 2009. Detailed information regarding finance options is available in the Finance Application Pack. Finance applications for FEA Plantations Project 2009 will be subject to each financier's credit approval process. To obtain copies of the Finance Application Pack, see the contact details on the back page of this brochure.

The Commonwealth Bank of Australia/Preferred Financier does not sanction, guarantee or recommend the MIS Product in any way and provides no assurance that the product is commercially viable or that the projected returns will be achieved or are reasonably based.

How to apply

For overnight delivery of marketing material for FEA Plantations Project 2009, please contact our Business Services Team:

FREECALL 1800 600 009

EMAIL marketing@fealtd.com

VISIT www.fealtd.com and download:

- FEA Plantations Project 2009 PDS
- Project and Finance Summary
- Finance Application Pack
- Financial Planning Strategies
- ATO Product Rulings
- Independent Research Reports
- Canopy Newsletters
- FEA 'Value Chain' DVD
- Financial advisers only – Project 2009 Calculator (includes cashflows forecast, finance assessment and loan repayment calculators)

Marketing Team

For any assistance you may require, please contact our Marketing Team.



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Your Plantation Hardwood

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MAHOAGANY

SMARTFIBRE

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The information contained in this publication is general in nature and does not take into account any particular individual's financial situation, objectives or needs.

Prior to acquiring an interest in the FEA Plantations Project 2009 (Project) ARSN 136 438 616, prospective investors should seek independent financial and legal advice and obtain a copy of the product disclosure statement (PDS), and read it in its entirety. Applications must be made on an application form attached to the current PDS for the Project. You should consider the PDS in deciding whether to invest in the Project or whether to continue to hold an investment in the Project. You should also consider whether an investment in the Project is appropriate for you.

The Australian Tax Office (ATO) has provided Product Rulings 2009/23, 2009/24, 2009/25, 2009/26 and 2009/27 for the Project (Product Rulings) which confirm the tax deductibility for the initial application fee and other costs which may be incurred by investors as referred to in the Product Rulings. The Product Rulings apply to investors accepted into the Project on or before 30 June 2009. The Product Rulings are not expressly or impliedly a guarantee or endorsement of the commercial viability or investment soundness of the Project nor of the reasonableness or commerciality of fees charged. The Product Rulings are only binding on the ATO if the Project is implemented in the specific manner provided in the Product Rulings. A copy of the Product Rulings can be obtained free of charge by contacting FEA Plantations on Freecall 1800 600 009 or downloaded directly from www.fealtd.com or www.ato.gov.au.

Investment ratings: This publication features the investment ratings of independent research entities, Australian Agribusiness Group (AAG) and Lonsec Limited (Lonsec). The investment ratings provided by AAG and Lonsec are based on a number of factors including, but not limited to, a consideration of the industry/market sector, the experience and style of the management group, financial returns and risks, fees and expenses and the structure of the investment. The investment rating provided by AAG is based on a star-rating system with five stars being the highest. The investment rating provided by Lonsec is based on a recommendation system with the following five rating classifications – Highly Recommended, Recommended (Upper End), Recommended (Lower End), Investment Grade, and Not Approved. Investment ratings are only one factor to be taken into account when deciding whether to invest. A decision by a prospective investor to invest in the Fund should not be based solely on the investment ratings featured in this publication. The Lonsec Limited ("Lonsec") ABN 56 061 751 102 rating (assigned April 2009) presented in this document is limited to "General Advice" and based solely on consideration of the investment merits of the financial product. It is not a recommendation to purchase, sell or hold the relevant product, and you should seek independent financial advice before investing in this product. The rating is subject to change without notice and Lonsec assumes no obligation to update this document following publication. Lonsec receives a fee from the fund manager for rating the product using comprehensive and objective criteria.

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If you do not wish to receive any marketing material information from Forest Enterprises Australia Ltd or any of its associated companies, you may advise us by mail at PO Box 733, Launceston TAS 7250, or e-mail at marketing@fealtd.com.

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