

REWARDS GROUP

Premium Timber PROJECT 2009



- ❑ A NEW innovation in high value forestry combining Australia's most valuable timber, Australian sandalwood with the internationally renowned premium quality tropical hardwood, teak.
- ❑ The Project aims to produce teak poles and sawlogs and export quality sandalwood.
- ❑ The term of the Project is expected to be approximately 20 years, with 8 harvest returns occurring at approximately years 7, 8, 11, 12, 15, 16 with a final clear felling at years 19 and 20.
- ❑ Teak is a premium tropical hardwood renowned for its strength, durability and weather resistant qualities. The market value of teak is greater than that of most other plantation timbers.
- ❑ Sandalwood is native to Western Australia and has been exported to Asian markets for over 160 years. It is an aromatic wood highly prized in Asia for its use in joss sticks (incense) and as a source of essential oil. Sandalwood oil is used as a base in many cosmetics and perfumes.
- ❑ The trade in teak logs and timber and sandalwood has occurred for centuries. Teak and sandalwood products are widely used in both the Eastern and Western markets.
- ❑ Significant tax deductions for expenditure incurred by Growers are supported by an Australian Taxation Office Product Ruling – PR 2008/73.
- ❑ The Project will ease pressure on native timber supplies in Asia, help reduce soil degradation on farmland in the Western Australian Wheatbelt and north Queensland and create a sink for greenhouse gases.



Diversified Offer

Growing two distinct timbers in one project offers regional, product and customer diversity, and is therefore expected to reduce risk and increase the overall return to participating growers in the Rewards Group Premium Timber Project 2009.

By combining some of the world's most valuable timbers - teak and sandalwood, in an investment grade premium forestry project, an annuity style income is forecast from harvesting of the trees commencing at approximately years 7, 8, 11, 12, 15, 16 with a final felling harvest at years 19 and 20.

Forestry is a proven investment, with low volatility and stable prices. Plantation forestry investments are not correlated with traditional asset classes, making it an ideal addition to an investment portfolio. Timber is positively correlated with inflation, providing an excellent inflation hedge. Importantly, timber is a real asset that generates returns predominantly from biological growth.

An investment in high value forestry is expected to provide medium to long term growth. The Project combines both annuity style income and a final lump sum payment.



Why Teak?

Teak (*Tectona grandis*) is commonly considered by ship builders and outdoor furniture manufacturers to be the world's most versatile, durable and valuable hard wood. Teak is a dense, coarse, close-grained hardwood. It contains high levels of resinous oils that allow it to be naturally resistant to moisture, repellent to insects, and pervious to the drying effects of weather.

Teak also contains silica, a sand-like component which creates a density to the wood that allows it to also be resistant to fungal decay, water rotting, warping, shrinking, swelling and many damaging chemicals. It will not rust or corrode metals it comes in contact with and will withstand the elements of all seasons, its beauty increasing with age.

No other wood compares to teak regarding its durability, elegance, stability and low maintenance.

Why Sandalwood?

Australian sandalwood (*Santalum spicatum*) is a unique tree native to Western Australia grown for its high value aromatic heartwood. It is one of two commercial species of sandalwood in the world, the other being Indian sandalwood (*Santalum album*).

Australian sandalwood is a semi-parasite and requires a host tree. It is native to Western Australia and has evolved to grow and survive on poor soils and in the harsh climates sometimes experienced in the Western Australian Wheatbelt.

Australian sandalwood has been exported from Australia, principally to India and China since 1845, with exports peaking in 1920 and 1924 at 14,000 tonnes per annum. The very high and unsustainable export demands of Australian sandalwood was realised in 1923 and subsequent Government regulation of native sources of Australian sandalwood were introduced and are still in place today. Current exports are today less than 1,000 tonnes per annum from natural stands, creating an excellent market opportunity for plantation sandalwood supply.



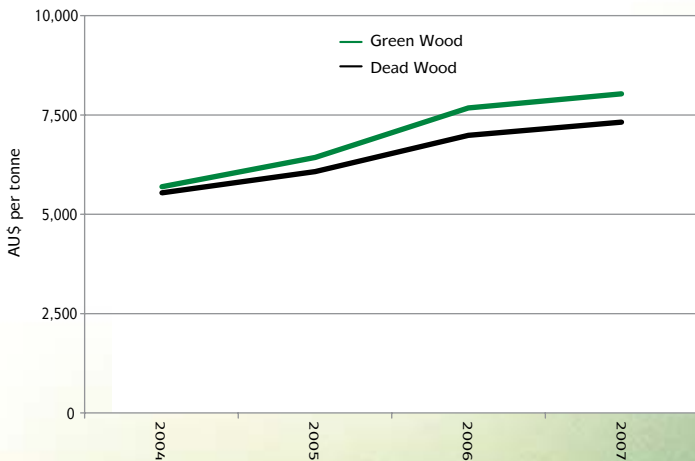
Prices on the up and up!

The value of both teak and sandalwood has grown substantially regardless of the instability of the global financial markets. The growing demand for teak and sandalwood coupled with limited production areas and increasing international demand suggests that price increases should continue to climb at a steady rate, as it has in the past.

Native supplies of both teak and sandalwood in the international market have significantly decreased due to over-harvesting and trade sanctions. With limited supply of native stands, the need for plantation grown teak and sandalwood is overwhelming.

SANDALWOOD

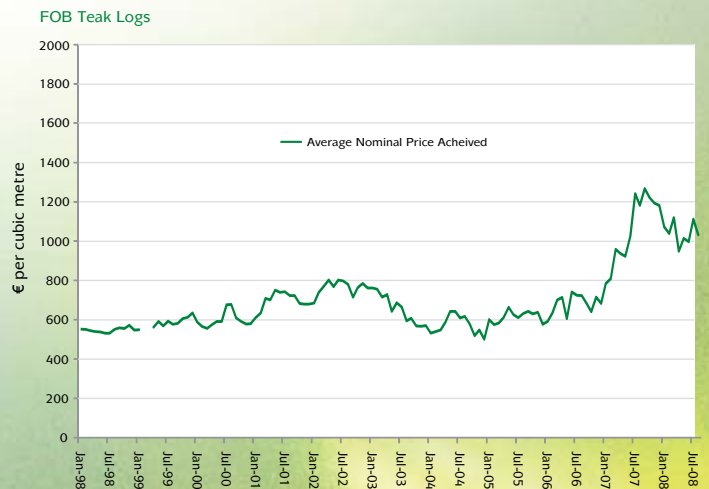
The average price of Australian sandalwood (across all Grades) has increased in value at an average annual rate of 9.03% since 2004 (see below).



Source: Forest Products Commission 2008

TEAK

The graph below shows that SG-4 log prices have grown steadily at an average of 9% per annum from 1998 to 2008 (based on average annual prices).



Source: International Tropical Timber Organization (ITTO), Division of Economic Information and Market Intelligence, Myanmar Log Prices 1998-2008.

The Rewards Group

Growing the right commodity for the right market at the right time is a hallmark of Rewards' projects. Rewards' focus is on only growing 'high value, low volume' commodities. This is our unique selling proposition and our focus for a profitable outcome for Rewards' Growers.

By selecting Rewards to manage your investment, you will be selecting a farm manager that offers the following significant benefits to participating Growers:

Well researched projects: Each year Rewards continues to receive high ratings from independent research houses, with extensive experience in determining quality agribusiness projects.

Competitive finance arrangements: By providing attractive finance packages, Rewards' projects complement many wealth creation strategies for participating Growers.

Owner Managers: The shareholders of Rewards actively manage Growers investments on a day to day basis. Rewards' focus is on returns to Growers - not ASX listed shareholders.

Rewards was founded with the vision of developing quality agribusiness projects using first class technical expertise.

The agribusiness industry represents a legitimate and appropriate way to generate investment in commercial scale primary production projects. Rewards meets the need within this industry for investment alternatives, backed by quality management.

Since 1999, Rewards has successfully raised in excess of \$263 million for the following projects.

- Brushwood - 390 hectares
- Sandalwood - 6,708 hectares
- Teak - 2,874 hectares
- Tropical Fruits - 1,054 hectares
- Viticulture - 95 hectares
- Berries - 202 hectares

What does a Woodlot Cost?

Becoming a Grower in the Rewards Group Premium Timber Project 2009 can be easy by using either your own funds or borrowing from an appropriate lender.

An upfront fee of \$6,050 (inclusive of GST) is payable per Woodlot on application.

No ongoing costs will be charged to Growers on an annual basis, other than a small amount annually for insurance against fire and other insurable events such as windstorm and hail.

The following fees will be deducted from the Grower's share of the net sale proceeds received by the Responsible Entity from the sale of timber from each harvest and for maintaining the Grower's Woodlots:

- A maintenance fee of:
 - 13.42% (inclusive of GST) for teak
 - 13.53% (inclusive of GST) for sandalwood
- A licence fee of:
 - 22.33% (inclusive of GST) for teak
 - 17.05% (inclusive of GST) for sandalwood
- A pruning fee of \$66 (inclusive of GST) for teak per Woodlot in respect of each harvest.

The trees will be progressively harvested between the ages of 5 and 18 with the precise timing, number of trees per harvest and number of harvests to be determined by Rewards Projects Ltd at the relevant time.



DISCLAIMER

Rewards Projects Ltd has issued a Product Disclosure Statement dated 5 December 2008 (PDS) for the Rewards Group Premium Timber Project 2009 (ARSN 133 719 123) which details the terms of the offer. Anyone wishing to invest should consider the contents of the PDS and complete the application form in the PDS.

The information in this brochure does not constitute personal investment advice and has been prepared without taking into consideration any particular client's objectives, financial situation or needs. Because of this, before acting on any information in this brochure, you should consider whether the advice is appropriate for your objectives, financial situation and needs and consult an independent professional if necessary. You should obtain the PDS or other offer document relating to the Project and consider this before making any decision about whether to invest.

The information contained in this brochure is provided in good faith and believed by Rewards Projects Ltd to be accurate at the time of completion. However, it makes no representation or warranty as to the accuracy, reliability or completeness of this information. Except to the extent that statutory liability cannot be excluded Rewards Projects Ltd, its directors, employees, associates, related entities, agents, advisers and consultants have no liability (including liability to any person by reason of negligence or negligent mis-statement) for any statements, opinions, information or matters (expressed or implied) arising out of contained in or derived from, or for any omissions from, the information provided in this brochure. Nor do they guarantee the success or performance of any Project, the payment of any return from an investment in any Project, or the taxation consequences of any investment in a Project.

COMPLAINTS

Rewards Projects Ltd maintains procedures for handling complaints and enquiries from growers in its various projects. Please direct enquiries or complaints to our Complaints Officer on (08) 9324 1155.

PRIVACY

Rewards Projects Ltd, including related entities, is bound by the national privacy principles as underpinned by the Privacy Act. For a copy of our Privacy Statement, please visit our website and follow the links. Alternatively, please contact us and a copy will be sent to you at no cost.

ENQUIRIES AND OTHER INFORMATION

For a copy of a PDS, contact Rewards Projects Ltd at:

50 Colin Street, West Perth WA 6005

Telephone: 08 9324 1155

Facsimile: 08 9324 2155

Email: mail@rewardsgroup.com.au

Web: www.rewardsgroup.com.au

Request Form

This document is a summary only. The Product Disclosure Statement dated 5 December 2008 (PDS) for the Rewards Group Premium Timber Project 2009 details the terms of the offer. Anyone wishing to apply for Woodlots should consider the PDS and complete the application form in the PDS. For a copy of the PDS please complete and return this Request Form.

Please send me

Copy/copies of the PDS Copy/copies of the Product Ruling Copy/copies of the Research Reports

Name

Company

Address

Postcode

Phone - Facsimile -

Email Address

Post to: Wealth Focus Pty Ltd, PO Box 760, Manly, NSW 1655