2007/08

AUSTRALIAN AGRIBUSINESS GROUP

FEA PLANTATIONS PROJECT 2008

Retail Investment Research – March 2008

Option 1	Option 2	Option 3	Option 4
★★★★¼	★★★★¼	★★★★	★★★★¼

The overall rating given to Forest Enterprises Australia Ltd (FEA) and the FEA Plantations Project 2008, which is outlined above, is based upon the ratings given for each of the individual parts (Part A, B & C) as outlined below. Investors should seek their own advice and read the project PDS, Part A Corporate Governance Review, Part B Track Record Review and Part C Project Review including the disclaimers therein before making an investment decision. If a supplementary is issued or a material change impacts on the Project, AAG reserve the right to withdraw or alter this report and/or ratings.

AAG and William Buck Ratings

	Option 1	Option 2	Option 3	Option 4
Overall Rating -	★★★★¼	★★★★¼	★★★★	★★★★¼
Part A – CGR -		★★★★½		
Part B – TRR -		★★★★¼		
Part C – PR -	★★★★¼	★★★★¼	★★★¾	★★★★¼

This report is valid January 2009

CGR – Corprate Governance Review; TRR – Track Record Review; PR – Project Review

Project Summary

The Project enables investors the opportunity to participate in the Australian forestry industry There are four investment options that investors can invest in including (1) growing eucalyptus wood for the production of hardwood woodchip and unpruned sawlogs, (2) growing eucalyptus wood for the production of both pruned sawlogs and woodchip, (3) growing radiata pine for the production of sawlog, veneer and pulpwood and (4) a combination of Options 1, 2 and 3 in a fixed ratio of 4, 1 and 2 respectively.

Project Details

Application Cost per Unit (ex GST) • Option 1, 2 and 3 • Option 4	 $3,150 $21,000 (comprising 7 Woodlots)
Min Number of Interests per Investor • Option 1, 2 and 3 • Option 4	 1 Woodlot 7 Woodlots
Asset Ownership	Nil
Size of Woodlot	0.5 hectares
Management & Lease Fees (ex GST)	10% - 15% of Harvest Proceeds
AAG Est. Returns (IRR after tax) • Option 1 • Option 2 • Option 3 • Option 4	 8.9% (4.1% – >20%) 9.3% (3.9% – >20%) 7.4% (6.1% – 8.7%) 8.7% (5.4% – >20%)
Project duration • Option 1 • Option 2 • Option 3 and Option 4	 14 years 17 years 26 years
Commissions	Up to 8% of Application monies
Project Size and Raising	11,000 hectares, $69.3 million
Close Date for Investment in the Project	30 June 2009
Product Ruling	PR 2008/31, PR 2008/32, PR 2008/33and PR 2008/34

Underlying Comments

Ratings are awarded out of a maximum of five stars. A rating may include quarter stars. AAG and William Buck have reviewed the answers to the self-assessment completed by the Directors and management of FEA in December 2007. AAG and William Buck have also assessed the reasonableness of the responses made by the Directors and management in awarding them the underlying ratings. The ratings should not be taken in isolation and readers must refer to the separate reports and the terms, conditions and disclaimer contained therein.

PART A William Buck Corporate Governance Review –

+ The Board has a majority of independent and an excellent mix of skills relevant to the business.
+ The attitude of the company to governance is receptive and proactive.
+ A comprehensive Corporate Governance Code has been issued.
+ A compliance resource has been employed to assist the Compliance Committee test compliance.
+ AIL uses an external Custodian to manage the receipt and payment of Investor Funds.
+ Independent experts review the plantations annually.
□ Structured risk management processes are currently being implemented.
- Some compliance plan breaches, although deemed minor, have been repetitive.

PART B AAG Track Record Review –

+ FEA is considered one of Australia's leading forestry and forest products businesses.
+ FEA is in a strong financial position with net assets in excess of $288 million at June 2007.
+ The performance of FEA's earlier forestry projects (pre-2001) have been very promising to date.
□ Given the fact that inventory data hasn't been taken for FEA's projects released post-2001, it is too early to comment on the likelihood of investors in these projects achieving the forecast returns.

PART C AAG Project Review –

+ The estimated returns for each Option are comparatively good are comparatively good and very robust to changes in yield and/or price.
+ AAG is confident in the company's ability to market the resource harvested from the Project to benefit Investors.
□ The fees for all three options of the Project appear reasonable when compared against similar timber projects.
– Climatic variability has the potential to impact growth rates in all regions. Any extended period of low rainfall, especially in the establishment phase of the plantations, is a major risk to investors.

Beckmont Pty Ltd trading as Australian Agribusiness Group A.B.N 50 056 592 708
Level 7, 99 Queen St, Melbourne, 3000 Australia **ph** +61 3 9602 6500 **fax** +61 3 9642 8824 **email** info@ausagrigroup.com.au **web** www.ausagrigroup.com.au

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FOREST ENTERPRISES AUSTRALIA LIMITED

CORPORATE GOVERNANCE REVIEW

January 2008

2007/08

A

Part A Corporate Governance Rating

★★★★½

Introduction

Businesses seeking external investment and borrowings face greater scrutiny and pressure from stakeholders to ensure they are fulfilling their obligations. Heavy regulatory pressure has resulted in additional requirements on both large and small business in the way they conduct their business. Managed investment schemes are no different. Corporate Governance has been defined in many ways but in essence is the approach to overseeing the effective execution of a business.

This report reviews the Corporate Governance of FEA Plantations Limited ("FEA Plantations"). The report (Part A) should be read together with Australian Agribusiness Group Track Record Review (Part B) and Project Report (Part C). The rating awarded is between one and five stars.

The report is based on a self assessment of corporate governance practices by directors of the Responsible Entity, FEA Plantations Limited ("FEA Plantations"). In performing the review we also needed to simultaneously consider the corporate governance of Forest Enterprises Australia Limited ("FEA"), the parent entity, as the two organisations operate very closely together. The self assessment is enabled by a questionnaire provided by William Buck which is completed and returned to us together with evidence supporting a number of the key questions asked. The questionnaire includes examples of better corporate governance practice so that the directors can provide informed answers to the questions which have been asked and so that they can benchmark and hopefully improve the quality of their practices. William Buck then reviews the answers and evidence provided and based on this information, produces this report and awards a rating. The ratings provided are not absolutely related to the questions because the nature of corporate governance practices will vary according to the size of the organisation and this must to be taken into account in awarding the rating. The assessment is based on three key areas of Governance for managed investment schemes, being:

- Board Oversight
- Compliance Committee Activities
- Management Control

The report is based on answers provided in a questionnaire dated December 2007.

Background

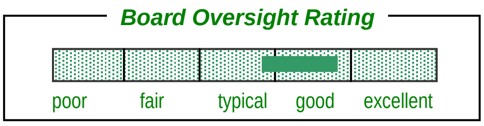
FEA is an ASX listed company engaged in the forestry industry and is headquartered in Tasmania. It has the objective of becoming a vertically integrated forestry business and has progressed well down that path.

As well as providing MIS investments to the public through FEA Plantations, the group also operates a sawmilling facility for the production of processed timber, using both its own harvested hardwood as well as softwood purchased under long term contract. The sawmilling operations have recently undergone significant additional capital investment. In addition to this, the group exports woodchips to Asia. The company has approximately 51,000 hectares of hardwood forest under management at various stages of development in Tasmania, New South Wales and Queensland.

William Buck
Business Advisors
Chartered Accountants

Board Oversight

Board oversight encompasses matters including the qualifications, experience and independence of the Board, the effectiveness with which it operates, the information it receives and relies on in the conduct of its activities and the extent to which it has defined its role and that of management. On the basis of the answers provided by FEA/FEA Plantations and the additional information provided to us, we have rated Board oversight as follows:



Board members and their experience follow:

FEA

Director	Comments
William Edwards Chairman Non-Executive Independent	William holds Bachelors of Laws and Arts and is a legal practitioner, currently operating his own firm. He has been an FEA director since 2002 and Chairman since 2004. He holds 12,276 shares.
Anthony Cannon Executive Not independent	Tony holds a Bachelor of Science (Forestry) and a Diploma of Financial Planning. He has been a member of the FEA Board since 1985 and is the Director of Forestry Services. Prior to joining FEA, Tony was Chief Forester for 10 years with Forestry Resources. He is a member of a number of relevant industry associations and groups. He holds 7,206,861 shares.
Vincent Erasmus Non-Executive Not independent	Vince holds a National Diploma of Forestry and has over 20 years experience in senior management in the public and private sectors including logging, sawmilling, wholesale and industry development. He is the CEO of ITC Limited which is now owned by Futuris and was appointed as a director of FEA in 2007.
Desmond King Non-Executive Independent	Des has over 50 years experience in the forestry industry in both the public and private sectors. He has owned and operated a forestry contracting business and is a former CEO of Private Forests Tasmania, a government statutory body. He has been an FEA director since 2002. He holds 16,250 shares.
Donald Taylor Non-Executive Independent	Don holds a Bachelor of Commerce and is a Chartered Accountant. He also holds a Graduate Certificate in Rural Science. He has held director roles in agribusinesses since 1992. He was appointed as a director in FEA in 2007.
Michael Williams Non-Executive Independent	Michael holds a Bachelor of Business and is a Chartered Accountant, a Certified Financial Planner, a Registered Company Auditor and Registered Company Liquidator. He has been a director of FEA since 2002. Michael is a principal in an accounting and advisory firm and has been practicing since 1982. He holds 6,098,896 shares (1.5%) and while this does not impact his independence under the ASX guidance, it is none the less a significant investment.
Leslie Wozniczka Non-Executive Not independent	Les holds a Bachelor of Science and an MBA. He is the CEO of Futuris Corporation Limited which holds over 30% of the company's share capital. Prior to joining Futuris in 1999, he spent many years in the financial services industry.

The Board is large for a company of this size and has a majority of independents (4 of 7) which includes the Chairman. It has an excellent mix of skills including legal, forestry, financial management, executive management and financial planning.

FEA Plantations

Director	Comments
Anthony Cannon Chairman Executive Not independent	Refer above
Michael Williams Non-Executive Independent	Refer above
Kerry Duncan Non-Executive Independent	Kerry holds a Bachelor of Law and was a practicing lawyer for over 30 years prior to retirement. He was a partner in a major law firm and specialised in financial services including public trustee companies, fund managers and responsible entities.
Gavin Wright Non-Executive Independent	Gavin holds a Bachelor of Arts (Legal Studies) and holds qualifications in teaching. He has also completed the AICD Company Directors Course Diploma. In more recent years, Gavin has worked in financial advisory, both in his own firm and elsewhere. He is an industry representative on the Financial Industry Complaints Service.

The Board has a majority of independents which is good however we would prefer that the chairman was also independent of management. Their skills include forestry, financial planning and legal which are all highly relevant to the operation of the RE.

Other strengths in Board governance processes reviewed include:

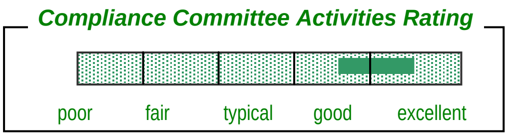
- A comprehensive Corporate Governance Code which includes a clear Charter for FEA and FEA Plantations, Charters for the sub committees and Compliance Committee, Board operating procedures and other governance matters
- The Board agendas cover an appropriate mix of business and governance issues
- The Board participates in an annual tour of the business combined with a strategy session to monitor and develop strategy
- A comprehensive delegations policy has been established and is regularly reviewed
- An independent complaints service allows shareholders and investors an additional avenue for resolution of any issues
- The Board is involved in the setting of key policies and policies are readily available to staff

Areas where Board oversight could be improved include:

- The company does not have an internal audit function
- FEA is developing a risk management process and is well down the path having developed a policy, framework and an initial high level profile. Additional work is currently under way to bring the policy and framework to life
- FEA Plantations should include related party matters as a standing Board agenda item – we understand that the company has agreed to do this for future meetings
- Operational reporting is at a fairly high level and would benefit from a more structured approach including reporting against targets for each key asset. Management have acknowledged this issue and we are informed they plan to work further on this matter in the coming months

Compliance Committee Activities

The Compliance Committee is an important element of any managed investment scheme because it is established with the role of protecting investors through ensuring that the agreed compliance plan is adhered to. As a result, the independence and experience of the members is essential to its effective operation as is the quality of the resources which support it and the findings of the scheme auditors. On the basis of the answers provided by the RE and the additional information provided to us, we have rated Compliance Committee activities as follows:



The Compliance Committee members are described on the following page. Their experience is highly appropriate to the activities of the committee with a good mix of legal, commercial, financial management and property experience.

Committee Member	Comments
Ross Waining	Ross holds a Bachelor of Science (Forestry) and a Diploma of Forestry and has been working in the forestry industry since 1962 in both the private and public sectors. He is a Board member of Private Forests Tasmania, a government statutory body and the Forest Practices Board. This experience provides him with the ability to oversight operational aspects of the projects.
Scott Dawkins	Scott holds a Bachelor of Business (Accounting) and is a Chartered Accountant who has practiced in a number of areas throughout his career. This experience provides him with the ability to oversight financial aspects of the projects.
Kerry Duncan	Refer FEA Plantations directors. His experience provides him with the ability to oversight legal aspects of the projects.

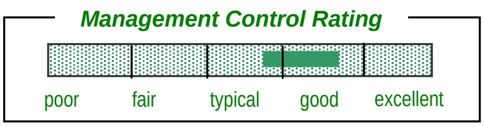
The Compliance Committee members are all independent and have an excellent mix of legal, financial and forestry experience for the role that they perform.

The following is a summary of the key strengths and weaknesses that we identified:

- The company has now appointed a compliance resource to support the Compliance Committee who is independent of other management functions
- Management are now required to regularly attest to meeting the compliance obligations for which they are responsible
- A number of Compliance Plan breaches have been identified by the business however they were not deemed to be material and have been rectified
- Independent Compliance Plan audits are unqualified
- Independent experts review the management of the plantations annually
- An external custodian is used in respect of investors funds

Management Control

Management Control is assessed having regard to the experience and qualifications of management as well as the internal control it establishes over the strategic, operational, financial and compliance aspects of the company's operations. On the basis of the answers provided by the RE and the additional information provided to us, we have rated Management Control as follows:



The following is a summary of the key strengths and weaknesses that we identified:

- The management structure and related job descriptions help to support an environment of accountability
- An effective budgeting and management reporting structure, appropriate to the size of the business appears to have been established
- Financial forecasting with a five year time horizon has been established covering Cash Flow, Balance Sheet and Operating Statement
- The company has achieved certification for ISO 14001 (environmental management). It has also achieved the Australian Forestry Standard for Tasmanian operations and is progressing toward certification of NSW plantations
- Basic Business Continuity and Disaster Recovery Plans have been developed
- IT systems are currently being reviewed to assess whether they meet the current and future needs of the business and the replacement program is well advanced

The rating awarded, based on the company's questionnaire and information provided, is based on the following criteria:

★★★★★	The company's corporate governance standards are of an exemplary standard and reflect better practice in all respects
★★★★	The company's corporate governance standards are of a high standard and reflect better practice in most respects however some minor exceptions were identified
★★★	The company's corporate governance standards are of a fair standard – a number of exceptions were identified
★★	The company's corporate governance standards are of a poor standard – a number of significant exceptions were identified
★	The company's corporate governance practices are totally ineffective

2007/08

AUSTRALIAN AGRIBUSINESS GROUP

FOREST ENTERPRISES AUSTRALIA LTD

PART B TRACK RECORD REVIEW – March 2008

B

Part B AAG Track Record Rating

★★★★¼

Methodology

The Australian Agribusiness Group (AAG) Track Record Rating above is given out of a maximum of five stars. A rating may include quarter stars. This Track Record Review (Part B) should be read in conjunction with the Corporate Governance Review (Part A) and the AAG Project Review (Part C). This Track Record Review is designed to provide an investor with a clear independent third party assessment of the quality of past performance of the operators of this project. AAG undertake a significant level of due diligence to arrive at our opinion, relying on material provided by the promoter, third parties and our own qualifications, experience and resources. We note that actual returns paid are one important element of track record, but not the sole focus of this report or rating.

Management of Previous Projects (page B2)

- Forest Enterprises Australia Ltd (FEA) was established in 1985 and is considered one of Australia's leading forestry companies.
- The Responsible Entity (RE) is FEA Plantations Ltd (FEA Plantations), a subsidiary of FEA.
- The on ground management for FEA's forestry operations is undertaken internally.
- FEA is listed on the Australian Stock Exchange (ASX) and at January 2008 had a market capitalisation of approximately $250 million.

Past Projects (page B4)

- Since releasing its first MIS offering to Investors in 1993, FEA has released 16 forestry investments, including the 2008 Project.
- The total funds raised by FEA in releasing its previous offerings is $279.4 million.

Marketing for Past Projects (page B6)

- FEA has completed thinning operations from the 1993, 1994, 1995 and 1996 projects, and has commenced thinning in the 1997 and 1998 projects, with the logs harvested sold to SmartFibre Pty Ltd (SmartFibre) and FEA Timber Pty Ltd (FEA Timber), both subsidiaries of FEA. A small proportion of logs were also sold to a non-related third party.
- Final harvest (clearfall) of the 1993 project is scheduled for completion by the end of April 2008.
- No formal agreements are in place for the company's earlier projects although the timber will likely be sold through SmartFibre and FEA Timber. A formal agreement is in place for final harvest (clearfall) of the 1993 Project.
- FEA Plantations has entered into sales agreements with FEA for the 2005, 2006 and 2007 projects, under which FEA will purchase all the timber harvested. It is anticipated that FEA will on-sell all the timber purchased from these projects to SmartFibre and FEA Timber. There is a minimum floor price in place for the 2008 project.

Agricultural Performance and Returns (page B5 & B6)

- The performance of FEA's forestry projects released prior to 2001 has been promising to date, with most growth rates anticipated to meet or exceed forecasts.
- Despite good early signs, it is too early to comment on the likelihood of investors in the projects released post 2001 achieving the forecast returns because plantations are too young for accurate forecast growth modelling.

Disclosure and Risks (page B6)

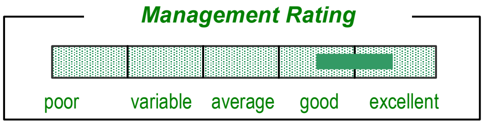
- Apart from minor damage from fungal outbreaks, insects, frost and pests, FEA has largely been unaffected by any material risks impacting on its forestry projects.
- Although below average rainfall has slightly impacted the growth of some plantations in the later forestry projects, given the locations, the impact is likely to have been lower than for other MIS operators participating in the industry.

Taxation (page B7)

- All key dates and prescribed activities in respect of the product rulings have been met for previous projects.
- To date, all investors have received their forecast taxation deductions as outlined in the respective project offer documents.

Beckmont Pty Ltd trading as Australian Agribusiness Group A.B.N 50 056 592 708
Level 7, 99 Queen St, Melbourne, 3000 Australia **ph** +61 3 9602 6500 **fax** +61 3 9642 8824 **email** info@ausagrigroup.com.au

1 Management of Previous Projects



1.1 Highlights

- 2008 – Forest Enterprises Australia Ltd (FEA) officially opens its $72 million state-of-the-art sawmill and processing facility in Bell Bay, Tasmania.
- 2007 – FEA records net after tax profit of $21.5 million.
- 2007 – FEA expands the Bell Bay sawmill and secures the major softwood resource supply from Tasmania.
- 2003 – FEA commissions an export woodchip business in Bell Bay, Tasmania in which it has a 50% interest.
- 2003 – FEA commences thinning operations from earliest MIS projects.
- 2002 – FEA acquires a sawmill and woodchip production business in northern Tasmania.
- 2000 – FEA lists on the Australian Stock Exchange (ASX).
- 1993 – FEA releases its first hardwood eucalypt project to investors.
- 1992 – FEA Plantations Ltd (FEA Plantations) is established.
- 1987 – FEA commences establishing eucalypt plantations both in its own right and on behalf of others.
- 1985 – FEA is established.

1.2 Group Experience

Forest Enterprises Australia Ltd (FEA) was established in 1985 and is considered one of Australia's leading forestry companies operating in the agribusiness sector. FEA was listed on the Australian Stock Exchange (ASX) in June 2000 (code: FEA) and in January 2008 had a market capitalisation of approximately $250 million. Integrated Tree Cropping Group Limited (ITC), a company which also participates in the Managed Investment Schemes (MIS) industry, is a major shareholder in the company, owning a 31% stake as at January 2008.

FEA Plantations, a wholly owned subsidiary of FEA, was established in 1992 and is the Responsible Entity (RE) for the MIS projects released by FEA, of which it has released 16 offerings to investors since 1993 and has raised approximately $279.4 million in subscription fees. FEA's current MIS plantation estate stands at 49,792 hectares.

In late 2007, FEA acquired the forestry estates of the Brisbane Plantation Forest Company Pty Ltd (BPFL). The purchased estate included approximately 2,095 hectares, containing eucalypt plantations (aged between 3 to 9 years) as well as land suitable for establishing further plantations. FEA owns or manages a further 17,000 hectares of native forest and other freehold land.

FEA is an integrated forestry company and is heavily involved in the processing and marketing of timber products. FEA Timber Pty Ltd (FEA Timber) is the timber products and trading division of FEA and manages the production and marketing of FEA's sawn hardwood and other timber products. FEA Timber owns an advanced saw milling facility at Bell Bay in northern Tasmania and markets its timber under the EcoAsh® and BassPine™ brands.

FEA is also involved in the processing and marketing of wood fibre products, owning an interest in SmartFibre Pty Ltd (SmartFibre), an export woodchip facility also located at Bell Bay, Tasmania. SmartFibre is owned in conjunction with ITC (50% share each) and was established in 2003. SmartFibre exported approximately 300,000 tonnes of wood fibre to manufacturing customers in China and Japan during FY2007.

Since AAG's last Track Record Review in May 2007, there have been two additions to the FEA Board, with Vince Erasmus and Don Taylor becoming Non-Executive Directors of the company. The seven FEA Board members are outlined below, of which two are also Directors of the RE.

William Edwards, Non-Executive Chairman

BA, LLB, MAICD

Will Edwards was appointed to the FEA Board in 2002. Will is a practicing Solicitor with extensive legal knowledge and particular experience in estate planning, company law and property trusts. Will was admitted as a practitioner of the Supreme Court of Tasmania in 1993 and is currently the sole proprietor for Will Edwards Lawyers, prior to which he was Partner at Launceston law firm, Douglas and Collins. Will has a large amount of legal experience in relation to the timber industry including acting for and advising landowners, mill owners, logging contractors and public companies involved in the industry.

Anthony Cannon, Executive Director

B Sc (Forestry), MIFA, MACFA, MAICD

Tony Cannon is a professional forester with 30 years experience in the establishment and management of eucalypt plantations. Tony is one of the founders of the FEA group of companies and in his current position is responsible for project development, government and industry relations and forestry technical issues. Prior to founding FEA, Tony supervised and managed a plantations programme for Forest Resources (later becoming Boral Timber Tasmania Limited) for a period of 10 years. Tony is involved in a number of forestry organisations in an executive capacity at state and national level including Forest Growers. Tony is the Chairman of FEA Plantations.

Michael Williams, Non-Executive Director

B Bus (Acc), CA, CFP, GAICD

Michael Williams joined FEA as a Non-Executive Director in 2002 and is also a Director of the RE. Michael has had previous Directorship experience with FEA and its related companies prior to 2002. Michael is a registered tax agent, liquidator and auditor and has been a partner of Camerons Accountants and Advisors since 1987. Michael is also a Certified Financial Planner and an authorised representative of Professional Investment Services Pty Ltd.

Desmond King, Non-Executive Director

FAICD

Des King was appointed to the FEA Board in 2002 and is extensively experienced in forestry having worked in the industry for over fifty years. He has been involved in both the private and public sectors in a range of roles encompassing logging, sawmilling, wholesale and industry development. His prior experience includes being CEO of Private Forests Tasmania for seven years, a government statutory body established to specifically promote, foster and assist the private forest sector to sustainably manage native forests and encourage the expansion of plantations.

Leslie Wozniczka, Non-Executive Director

MBA, B Sc (Hons)

Les Wozniczka was appointed as Non-Executive Director of FEA in 2005. Les has broad industry and management experience having held roles in currency and commodity trading, funds management and corporate advisory and capital market work. Les is a former Partner of the Partner Company Pty Ltd and Corporate Governance International Pty Ltd and was a Senior Executive and Director of Baring Brothers Halkerston & Partners. Les is currently a Director and the CEO of Futuris Corporation Ltd and a Director of Integrated Tree Cropping Ltd, a forestry company which is also involved in the MIS industry.

Vince Erasmus, Non-Executive Director

Dip For

Vince Erasmus was appointed Non-Executive Director of FEA in October 2007. Vince is the CEO of the ITC Group, a forestry company which also participates in the MIS industry and has a 31% stake in FEA. Prior to joining ITC, Vince was employed by South African forestry and agricultural company, Hans Merensky Holdings Pty Ltd, for a period of 20 years. During his tenure at Hans Merensky, Vince held a number of positions including that of Executive Manager for Timber. Vince was also previously employed by the South African Department of Forestry for a period of 10 years where he held a range of positions including Principal Forester for Ceylon State Forest and Senior Forester at Tweenfontein Forest.

Donald Taylor, Non-Executive Director

B Com, CA, Grad. Cert. Rural Science, FAICD

Don Taylor was appointed Non-Executive Director of FEA in October 2007 and is a Chartered Accountant with many years of business, audit and taxation experience. Don is the current Chairman of the Graincorp Limited, a position he has held since 2006. Don is a former Executive Chairman of GrainCo Australia Limited and Chairman of Carrington Cotton Corporation.

FEA strengthened its financial position in FY2007 (Table 1), increasing its net asset position by 55% to $288 million. FEA's current ratio suggests the company has the capacity to meet its short term obligations.

Table 1 – Overview of FEA's Consolidated Statement of Financial Position

	2007 ($'000)	2006 ($'000)	Change
Current Assets	$133,205	$83,518	+59%
Non-current Assets	$309,547	$214,452	+44%
Total Assets	$442,752	$297,970	+49%
Current Liabilities	$112,790	$80,591	+40%
Non-current Liabilities	$41,829	$31,045	+35%
Total Liabilities	$154,620	$111,637	+39%
Net Assets	$288,132	$186,333	+55%
Current Ratio	1.2	1.0	+14%
Interest Bearing Debt : Equity Ratio	0.2	0.1	+104%

FEA recorded its fifth consecutive year of growth in FY2007, recording an after tax profit of $21.5 million during the financial year (Table 2). FEA's MIS sales totalled $60.2 million in F2007, with approximately $31.4 million being recognised during the financial year (Table 2). Compared to other MIS operators in the market, FEA's sales revenue reliance on the MIS industry (31% in FY2007) is smaller due to the integrated nature of the business.

Table 2 – Overview of FEA's Consolidated Statement of Financial Performance

	2007 ($'000)	2006 ($'000)	Change
MIS Sales Revenue	$31,400	$29,200	+8%
Other Revenue	$70,337	$55,870	+26%
Total Revenue	$101,737	$85,070	+20%
Total Expenses	$71,636	$55,034	+30%
Profit (b/t)	$30,102	$30,036	+0%
Profit (a/t)	$21,459	$20,978	+2%
EBITDA	$33,381	$31,913	+5%
MIS Sales : Total Revenue Ratio	31%	34%	-10%
Profit Margin	21.1%	24.7%	-14%
ROA	4.8%	7.0%	-31%
ROE	7.4%	11.3%	-34%
Interest Coverage	16 times	29 times	-47%

1.3 On-ground Manager

FEA continues to be the on-ground manager for all plantations under management. With 20 years experience in the establishment and management of plantation forests and strong track record from a yield performance perspective to date, AAG considers FEA one of the leading plantation forestry managers in Australia.

FEA employs a large pool of competent foresters with experience in the management of hardwood plantations. The day-to-day management of the FEA's plantation estate is overseen by CEO, Andrew White and General Manager Plantations, Chris Barnes. FEA also has a Forestry Services division which provides internal audit and compliance, environmental and estate management services for past projects. This division is headed by the company's Director of Forestry Services, Tony Cannon and Manager Forestry Services, Andy Corbould.

Brief summaries of Andrew, Chris and Andrew are outlined below. Tony's can be found in Section 1.2.

Andrew White, CEO

B Sc (For), AICD

Andrew White joined FEA as CEO in 2003 and has had 20 years experience in the forestry industry. Andrew commenced his career at Forest Resources where his positions included Logging Supervisor and Planning Forester. He then joined Boral Timber Tasmania Limited for a period of 8 years, including three years as Manager. Prior to joining FEA, Andrew was employed by Gunns Limited (Gunns) in the positions of Forest Operations Manager and Wood Supply Manager.

Chris Barnes, General Manager Plantations

B Ag Sc (Hons), MBA, MAIAST

Chris Barnes joined FEA in May 2007 and has had 15 years experience in the horticulture and forestry industries. Prior to joining FEA, Chris was employed by Gunns Limited and its associated companies for 11 years. Chris held a number of senior positions at Gunns, including Manager for Plantations and Walnuts. Prior to 1996, Chris was an Agronomist at Perfecta Produce which is a major Tasmanian grower, packer and exporter of fresh onions, swedes and cherries.

Andy Corbould, Manager Forestry Services

B Sc (Forestry)

Andy Corbould has 16 years experience in the forestry industry in both the public and private sectors in NSW and Tasmania. Previous positions Andy has held include Assistant District Manager at Forestry Tasmania (Bass), Land Acquisitions Manager at States Forests NSW, (Future Forests Group) and Planning Manager at Gunns (Tamar).

2 Past Projects

Since releasing its first MIS offering to Investors in 1993, FEA has released 16 forestry-MIS projects, including the 2008 project (Table 3). The total funds raised to 30 June 2007 by FEA in releasing its previous offerings is $279.4 million, enabling the development of approximately 49,792 hectares of plantations (Table 3).

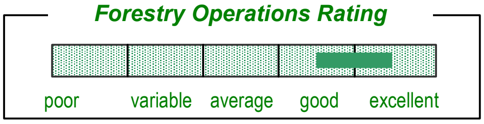
Table 3 – Overview of FEA's previous projects

Project Name	*Year*	*Location*	*Size (ha)*	*Capital Raised ($m)*
FEA Plantations Project 2007*	2007	Tas; northeast NSW; southeast Qld	7,038	$44.3
FEA Plantations Project 2006	2006	Tas; northeast NSW; southeast Qld	10,686	$67.3
FEA Plantations Project 2005	2005	Tas; northeast NSW; southeast Qld	9,026	$54.2
FEA Plantations Project 2004	2004	Tas; northeast NSW; southeast Qld	4,369	$26.2
Forest Enterprises Project 2003	2003	Tas; northeast NSW; southeast Qld	2,210	$11.1
Australian Forests Project 2002	2002	Tas; northeast NSW	409	$1.8
Australian Forests Project 2001	2001	Tas; northeast NSW	1,293	$7.0
Tasmanian Forests Project 2000	2000	Tas	2,006	$9.2
Tasmanian Forests Trust No. 7	1999	Tas; northeast NSW; southeast Qld	10,826	$50.8
Tasmanian Forests Trust No. 6	1998	Tas	928	$4.1
Tasmanian Forests Trust No. 5	1997	Tas	376	$1.3
Tasmanian Forests Trust No. 4	1996	Tas	222	$0.8
Tasmanian Forests Trust No. 3	1995	Tas	186	$0.7
Tasmanian Forests Trust No. 2	1994	Tas	165	$0.5
Tasmanian Forests Trust No. 1	1993	Tas	52	$0.1
Total			***49,792***	***$279.4***

** = Does not include sales post June 2007*

The plantations are located on properties spread across Tasmania, New South Wales and Queensland. FEA's Tasmanian plantations are primarily stocked with Shining Gum (*Eucalyptus nitens*), while NSW and Queensland plantings are predominantly stocked with Dunns White Gum (*E. dunnii*), Rose Gum (*E. grandis*), Sydney Blue Gum (*E. saligna*), Blackbutt (*E. pilularis*) and Spotted Gum (*Corymbia citriodora spp variegata*) varieties.

3 Forestry Operations



The slide bar rating above summarises our view of the past performance of this commodity for Investors and considers the likely future outcomes in the short term based on available data, site visits, discussions and other research.

3.1 Introduction

FEA has released a forestry project annually since 1993 and has 49,792 hectares under management on behalf of investors. As discussed in Section 1.2, FEA also manages a large area of native forest and freehold land unrelated to the MIS projects.

3.2 Silvicultural Performance

FEA commenced thinning operations from its 1993 project in 2002 and has since completed thinnings from the 1994, 1995 and 1996 projects. It is important to mention that thinnings were not included in the original prospectuses for these projects. As a result, investors in these projects have received a return earlier than the year 15 clearfall harvests originally forecast. The thinning operations may also provide investors in these projects with the potential for the production of higher value end products at clearfall harvest. These sawlog outcomes were not anticipated in the original offer documents.

The volumes and prices achieved from these thinnings are outlined in Table 4.

Table 4 – Volumes and Prices for FEA's thinning operations for the 1993, 1994, 1995 and 1996 Projects

Project	Year of Harvest (thinning only)	Volume	Weighted average Stumpage Prices ($/tonne)
1993	2002 – 2003	6,761 tonnes	$20.6
1994	2003 – 2004	17,581 tonnes	$22.2
1995	2005 – 2007	9,941 tonnes	$24.6
1996	2006 – 2007	9,266 tonnes	$25.9

It is important to note that these harvest proceeds represent thinning operations, not clearfall, which are typically not carried out by most shorter rotation pulpwood projects. FEA advises that pulp logs rather than sawlogs were harvested from these thinning operations which reflects the smaller volumes and thinning pieces harvested, as the object of thinning is to retain potential sawlogs for the final harvest. We note that the stumpage prices achieved from the thinning operations are lower than those FEA is targeting at clearfall harvest. The 'selective harvest' nature of thinning operations will typically involve a higher harvesting unit cost than clearfall harvesting. FEA advises that due to the small volumes from the thinning operations and the smaller scale of these early projects, the pulpwood volumes were shipped as blended plantation and native regrowth timber and as a result, did not attract the premium that the plantation only pulpwood resource currently achieves.

FEA believes that the installation of a new sawmill, with benefits such as higher sawn timber utilisation and economies of scale, the increased presence of the EcoAsh® and BassPine™ brands in the retail timber market, the establishment of long term contracts with Japanese customers and the recent 10% woodchip price increase will result in improvements (from those outlined in Table 4) in stumpage prices for thinning products going forward.

FEA advises that thinning of the 1997 and 1998 projects commenced in July 2007 and is scheduled for completion by December 2008.

FEA also notes that preparations are underway for the final clearfall harvest of the 1993 project to commence in early 2008. Based on inventory data provided it is likely that investors in the Project will achieve yields in line or higher than those targeted in the original PDS for the project (see below). FEA advises that stumpage prices contracted for the clearfall harvest will be $49.25 and $39.25 for sawlogs and pulplogs respectively. FEA notes that these stumpages, combined with expected harvest volumes and sawlog recoveries, will have provided growers with proceeds in excess of $17,000 per hectare (inc. GST) for both thinning and clearfall harvests, reflecting an estimated after tax return of 7.5%.

As part of its management strategies, FEA undertakes inventory modelling on all stands of trees at 6 years of age (pre-thinning inventory) and again just prior to clearfall. To date, FEA has only undertaken yield modelling for the projects released prior to 2001. The originally targeted yield and the estimated yield at harvest based on the results of this inventory are outlined in Table 5.

Table 5 – Overview of FEA's yield estimates for past projects 1993 - 2006

Project	Original Target MAI (m^3/ha/year)	Estimated MAI at harvest (m^3/ha/year)	% Total Plantation Estate
2001 to 2006 Projects	28 – 30 m^3/ha/year	NA	70.4%
2000	28.0 m^3/ha/year	24.1 m^3/ha/year	4.0%
1999	28.0 m^3/ha/year	23.1 m^3/ha/year	21.7%
1998	25.0 m^3/ha/year	27.1 m^3/ha/year	1.9%
1997	25.0 m^3/ha/year	23.5 m^3/ha/year	0.8%
1996	25.0 m^3/ha/year	26.1 m^3/ha/year	0.4%
1995	25.0 m^3/ha/year	21.9 m^3/ha/year	0.4%
1994	25.0 m^3/ha/year	34.7 m^3/ha/year	0.3%
1993	25.0 m^3/ha/year	31.7 m^3/ha/year	0.1%

NB – 1999 project includes planting undertaken in 1999, 2000 and 2001. Pre-thin inventory has been undertaken in the 1999 and 2000 components only, constituting some 47% of the project by area.

As Table 5 indicates, FEA has targeted MAI rates of 25 m^3/ha/year for all forestry projects released pre-1999 and 28 m^3/ha/year for the 1999 and 2000 projects. With the exception of the 1999 and 2000 projects, these projects appear to be achieving growth rates in line or in-excess with those targeted. We note that the estimated growth rates for these projects outlined compare very well to other forestry MIS projects released in the same period.

Whilst the results to date have been positive, the majority of FEA's forestry estate has yet to be inventoried. It won't be until more plantations are measured for inventory that AAG can provide comments based on the performance of the whole estate. A large proportion of the more recent and yet to be measured plantations are on the mainland and mainland plantations represent a very small portion of the inventory data. FEA informs AAG that it is currently undertaking pre thinning inventory for its 2001 projects with the results to be finalised during 2009.

FEA has provided AAG with an Independent Forester's reports authored by VDFC Forestry Consultants in March 2007 for each project under FEA management. These reports suggest that the majority of plantations under management were progressing very well despite lower than average rainfall in the 12 months to 30 June 2007 across the majority of FEA's plantation estate, especially the older plantations. Importantly, it must be noted that the northern NSW regions where a large proportion of FEA's estate is established and the location for the majority of future plantings was one of the best performing plantation regions in Australia during recent dry conditions. The main issues FEA has encountered to date include minor damage from fungal outbreaks, insects, frost and pests, as well as nutrient deficiencies in some plantations. We do note that these problems are inherent to forestry projects and according to the Independent Forester were dealt with appropriately by the FEA management team.

Although FEA has been fortunate in that it has largely been unaffected by the impacts of drought conditions compared to other forestry companies operating in the MIS industry, some younger plantations have suffered from below average rainfall.

3.3 Marketing Arrangements – Key points

- FEA has completed thinning operations on the 1993, 1994, 1995 and 1996 projects and has commenced thinning in the 1997 and 1998 projects. The logs harvested from these projects were sold on a stumpage basis to SmartFibre Pty Ltd (SmartFibre) and FEA Timber Pty Ltd (FEA Timber), both subsidiaries of FEA. A small proportion of logs were also sold to a non-related third party. Final harvest (clearfall) of the 1993 project is scheduled for completion by the end of April 2008.

- Although formal agreements are in place with SmartFibre and FEA Timber for timber from the clearfall harvest of the 1993 project, no formal agreements are in place for any of the company's other earlier projects. Timber from these projects are likely to be sold through these entitles.

- FEA Plantations has entered into sales agreements with FEA for the 2005, 2006 and 2007 projects, under which FEA will purchase all the timber harvested. It is anticipated that FEA will on-sell all the timber purchased from these projects to SmartFibre and FEA Timber. There is a minimum floor price in place for the 2008 project.

3.4 Returns

3.4.1 Costs

FEA advises AAG that investors have not had to pay any extra costs or fees not originally outlined in the offer documents for the company's previously released projects.

3.4.2 Yield

Please refer to Section 3.2.

3.4.3 Price

As noted earlier, FEA has previously sold timber products from several of the earliest released projects. Commentary on the prices achieved from the thinning operations is outlined in Section 3.3.

FEA advises AAG that it is confident that investors in the company's 1993 to 2002 projects will achieve or exceed the predicted prices as outlined in their respective prospectuses. For the projects released since, FEA notes that it is too early to ascertain the validity of price forecasts.

3.4.4 Inflation on costs

FEA used inflation estimates ranging between 7% and 9% for its projects released prior to 1998, which reflected the general forecasts at that time. For those projects it released between 1999 and 2007, inflation estimates of between 2.5% and 3.0% were used in their internal modelling.

Given the average rate of inflation in the past 10 years (2.5%) and the Reserve Bank of Australia (RBA) mandated target rate of inflation (between 2.0% and 3.0%), we believe the company's estimates post 1999 remain valid. In comparison, the inflation estimates assumed by FEA pre-1998 are considered very high and no longer valid.

3.4.5 Price growth escalation factor

In its internal modelling for previous projects, FEA assumed that the timber price achieved for all products produced would move in line with inflation.

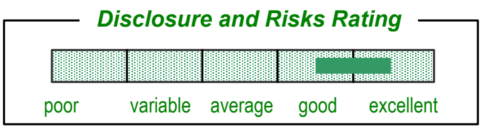
Our view in relation to the products produced from FEA's projects is that real prices are not likely to increase in the short to medium term. Therefore, price movements are expected to move inline with inflation.

3.4.6 Likelihood of achieving the forecast returns for previous projects

On the basis of comments made regarding silvicultural performance of FEA's earliest released projects, while some projects are tracking slightly lower than target, generally speaking investors are on track to achieving returns within a reasonable band of agricultural risk tolerances of original forecasts.

Given the fact that FEA has yet to undertake inventory on the projects released since 2000, it is too early to comment on the likelihood of investors in these projects achieving the forecast returns.

4 Disclosure and Risks



4.1 Risks of previous projects

While FEA has stated that no material risks have impacted on previous projects, drought has slowed growth in some regions for a period.

Although FEA has largely been successful in establishing plantations in regions with low incidence of drought in the past, there is a risk that extended periods of low rainfall may impact on the growth rates of plantations included in past projects. In addition, there are still unknowns surrounding achievable growth rates in FEA's mainland regions.

4.2 Communication with Investors

FEA believes they have met the standard for communication with investors in previous projects. As required under the respective Constitution and offer documents for each past project, the RE has provided Annual Reports and periodic newsletters to investors in past projects. Investors also have access to the company's website which provides information on the company and its projects.

FEA has provided AAG with examples of the company's newsletters, recent ASX releases, Annual Reports, annual Manager Reports, and annual Review Reports by the Independent Forester for each previously released project. We believe these reports in addition to FEA's website provide investors with the necessary information to keep them informed about project developments and occurrences.

5 Taxation

According to FEA, all key dates and prescribed activities in respect to the product rulings have been met for previous projects. To date, all investors have received their forecast taxation deductions as outlined in the respective project offer documents.

The ATO visited FEA offices, inspected several plantations and carried out a full audit of the 2003 Project in September 2004. According to FEA Plantations, no matters of material concern with respect to these visits were raised by the ATO. The ATO undertook a comprehensive desktop review of the taxation affairs of the FEA group in 2006, which was completed successfully.

6 Structure of Previous Projects

FEA has advised AAG that there has been no change to the corporate structure for past projects released by the company. The only significant change to shareholding at FEA includes the company being listed on the ASX in 2000 and ITC's purchase of a strategic stake in 2004. As discussed previously, ITC has a 31% stake in the company as at the end of September 2007.

FEA states that all related entities in past projects continue to be dealt with at "arms-length" in a fully commercial and transparent way. FEA has recently established a 'Conflicts of interest and related party policy' that provides a framework and systematic approach to adequately identify, manage and resolve situations where conflicts of interest may arise. Under this policy, an up-to-date register of all related party transactions is maintained and the Boards of both FEA and the RE have a standing agenda item tabled at every Board meeting to address the disclosure and management of related party transaction.

7 Internal Reporting and Control

Given that the FEA Board is comprised of a majority of Non-Executive Directors, AAG believes it vitally important that they are kept up to date with Project activities.

FEA believes it has sufficient mechanisms in place to ensure Directors and Senior Managers at the group are aware of the progress of each project under company management. When the FEA Board meets for their monthly meeting, Directors are provided a Consolidated Monthly Report which compares financial and key performance data against benchmarks as set within the company's Strategic Plan. In addition, Directors of the company are provided monthly reports from all company departments prior to each Board meeting, with information from these meetings relayed to all Senior Management. Importantly, the Boards of both FEA and the RE hold a formal combined strategy meeting with senior management on an annual basis.

8 Exit Strategies for Past Projects

Under the 2007 Budget announcement by the Government, initial Investors in forestry MIS Projects will be allowed to trade their interests once they have been held for a period of at least four years. This provides investors in FEA's past forestry projects with the potential for increased liquidity. We do note however, that at the time of releasing this report, there was no credible and active 'secondary market' currently in operation, although we expect such 'exchanges' to be in operation in the near future.

9 AAG Opinion

The AAG use a model that has been developed in-house to rate Managed Investment Schemes. Numerous points of assessment are made to ensure the important aspects of a project and project manager are assessed on an even basis.

Ratings are out of five stars in quarter star increments.

The report should be read in its entirety and in conjunction with Part A – Corporate Governance Review (William Buck) and Part B – Track Record Review (AAG).

The opinion of AAG is outlined throughout the report and a summary is found on page 1.

★★★★★	AAG believes that the Manager **will** achieve outcomes which substantially exceed the agri, risk or return results which are the average acceptable levels of performance appropriate for this asset class.
★★★★	AAG believes that the Manager **will** achieve agri, risk or return outcomes which exceed average acceptable levels of performance appropriate for this asset class.
★★★	AAG believes that the Manager **may** achieve agri, risk or return outcomes which meet minimum acceptable levels of performance appropriate for this asset class.
Less than ★★★	AAG believes that the Manager **will not** achieve agri, risk or return outcomes which are appropriate for this asset class.

10 AAG Profile and Contact Details

The Australian Agribusiness Group was formed in 1997 and provides expertise in research, investment management and agribusiness consulting nationally.

AAG is the leading provider of research into the Managed Investments Sector (MIS) in Australia. It's research is read by over 9,100 financial planners and is distributed by Standard and Poors.

AAG sources and manages investments in the Australian agribusiness sector on behalf of national and international clients.

AAG undertakes research reports, feasibility studies, consulting projects and assists in facilitating funding for private and public clients. It provides the management skills, expertise, staff and office support to develop, incubate and launch new agribusinesses.

AAG focuses on agribusiness and particularly the commercial aspects of this dynamic sector.

For more information about AAG, please visit our website at www.ausagrigroup.com.au.

AUSTRALIAN AGRIBUSINESS GROUP

FEA PLANTATIONS PROJECT 2008

PART C PROJECT REVIEW – March 2008

C

Part C AAG Project Rating

Option 1	Option 2	Option 3	Option 4
★★★★¼	★★★★¼	★★★¾	★★★★¼

Methodology

The AAG Project Rating above is given out of a maximum of five stars. A rating may include quarter stars. This Project Review (Part C) should be read in conjunction with the William Buck Corporate Governance Review (Part A) and the AAG Track Record Review (Part B). This Project Review is designed to provide comment on the PDS offering to give an investor a clear independent third party assessment of the quality of this project. AAG undertake a significant level of due diligence to arrive at our opinion, relying on material provided by the promoter, third parties and our own qualifications, experience and resources to provide a sound understanding of this offer.

Project Features

Application Cost per Unit (ex GST) • Option 1, Option 2 and Option 3 • Option 4	 $3,150 $21,000 (comprising 7 Woodlots)
Min Number of Interests per Investor • Option 1, Option 2 and Option 3 • Option 4	 1 Woodlot 7 Woodlots
Asset Ownership	Nil
Size of Woodlot	0.5 hectares
Management Fees (ex GST)	3% of Harvest Proceeds
Lease Fees (ex GST)	7% - 12% of Harvest Proceeds
AAG Estimated Returns (IRR after tax) • Option 1 • Option 2 • Option 3 • Option 4	 8.9% (4.1% – >20%) 9.3% (3.9% – >20%) 7.4% (6.1% – 8.7%) 8.7% (5.4% – >20%)
Project duration • Option 1 • Option 2 • Option 3 and Option 4	 14 years 17 years 26 years
Close Date for Investment in 2007/08	30 June 2008
Close Date for Investment in the Project	30 June 2009
Benefit Cost Ratio (@ 7%)	Refer to Table 7
Breakeven Points	Refer to Table 7
Product ruling • Option 1 • Option 2 • Option 3 • Option 4	 PR 2008/31 PR 2008/32 PR 2008/33 PR 2008/34

Management (page C3)

- The Responsible Entity (RE) is FEA Plantations Ltd, a subsidiary of Forest Enterprises Australia Ltd (FEA).
- FEA has been contracted by the RE to undertake the on-ground management.
- FEA was established in 1985 and is one of Australia's leading forestry companies.
- FEA Plantations has released 16 forestry MIS projects to investors since 1993, with the first of these to be fully harvested in 2008. As at July 2007, FEA had approximately $280 million in investments under management.

Fees (page C5)

- The fees for all four Options appear reasonable when compared against similar timber projects.

Markets for this Project (page C4)

- The majority of Australia's sawn hardwood and softwood products produced from Australian forests and plantations are directed to the domestic market. Australia generally relies on imports to meet demand for these products.
- Japan is the major world market for hardwood and softwood woodchips and is the major market for Australian produced woodchips.

Marketing (page C4)

- FEA Plantations has entered into a Wood Purchase Agreement with FEA for 100% of timber produced from the hardwood component of the Project, which includes the protection of a floor price mechanism.
- It is anticipated that FEA will on-sell the majority of the timber to two FEA subsidiaries, FEA Timber Pty Ltd (FEA Timber) and SmartFibre Pty Ltd (SmartFibre).

Agricultural Parameters and Returns (page C2 & C6)

- The estimated returns for each Option based on our underlying assumptions are comparatively good.
- Returns for each Option are very robust to changes in yield or price, especially that of Option 4 where there are diversified forestry products being produced.
- All investment options target a mix of forest product markets, providing market risk minimisation and diversification benefits compared to pure pulpwood and pure sawn timber projects.
- Unknowns surrounding long term growth rates possible in the NSW hardwood regions present as risks to investors, although FEA has been operating in these regions since 2000 and has obtained strong growth rates here to date.

Disclosure and Risks (page C11)

- Climatic variability has the potential to impact growth rates in all regions.
- Any extended period of low rainfall, especially in the establishment phase of the plantations, is a major risk to investors.
- The failure to achieve the estimated price is another risk, although the floor price mechanism in place for investors in Option 1 and Option 2 provides protection against major price falls and increases in harvesting costs.

Taxation (page C12)

- FEA has received Product Ruling for each of the four options (PR 2008/31, PR 2008/32, PR 2008/33 and PR 2008/34) which outlines that 100% of the Application Fee is tax deductible in the initial year for those investors who enter the Project on or before 30 June 2008.

Beckmont Pty Ltd trading as Australian Agribusiness Group A.B.N 50 056 592 708
Level 7, 99 Queen St, Melbourne, 3000 Australia **ph** +61 3 9602 6500 **fax** +61 3 9642 8824 **email** info@ausagrigroup.com.au

1 Project Structure – What do I get?

1.1 What is the Project?

The FEA Plantations Project 2008 (ARSN: 129 750 296, the "Project") enables investors the opportunity to participate in the growing of hardwood timbers in selected regions throughout Tasmania, northern NSW and southeast Queensland and radiata pine in Tasmania. There are four options.

- *Option 1* – growing hardwood timber for approximately 13 years, with the harvested product sold as unpruned sawlogs and pulpwood;
- *Option 2* – growing hardwood timber for approximately 16 years, with the harvested product sold as pruned sawlog, veneer and pulpwood;
- *Option 3* – growing radiata pine for a period of approximately 25 years, with the harvested product sold as sawlog, veneer and pulpwood; and
- *Option 4* – combination of Options 1, 2 and 3 in a fixed ratio of 4, 1 and 2 Woodlots respectively.

A unit in the Project, termed a Woodlot, represents 0.5 hectares of plantation. FEA Plantations has advised that the Project offer relates to approximately 22,000 Woodlots, with a capacity for oversubscriptions.

Investors will enter into two Agreements:

- *Management Agreement* – investors engage the RE to establish and maintain their Woodlots on their behalf and to harvest and market their timber from the Project; and
- *Forestry Right Lease Deed* – allows investors to lease an area of land from the RE for the growing of plantation timber.

1.2 What is the minimum subscription?

The minimum subscription for investors in Option 1, Option 2 and Option 3 is one Woodlot. A minimum of seven Woodlots must be purchased for investors in Woodlot Option 4, being a combination of four Woodlots in Option 1, one Woodlot in Option 2 and two Woodlots in Option 3.

There is no minimum subscription that must be reached, with the Project commencing regardless of how many Woodlots have been subscribed.

1.3 Can I share in any land/management ownership?

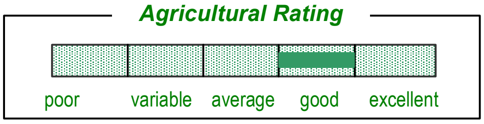
Investors are unable to directly share in the ownership of the land assets or management of the Project.

Investors can however indirectly and incrementally share in the management, land and assets of the Project through the purchasing of shares in the ASX listed Forest Enterprises Australia Ltd (FEA), the parent entity of the RE (ASX code: FEA). Access to investment in the Project's land assets is also available via the purchase of Units in the FEA Plantations Property Fund, a managed unlisted Property Trust specialising in highly productive rural land.

1.4 Is there an exit strategy?

Under the 2007 Budget announcement by the Government, initial Investors in forestry MIS Projects will be allowed to trade their interests once they have been held for a period of at least four years. This provides investors in forestry projects, including this Project the potential for liquidity. FEA is licensed by ASIC to operate low volume trading activity in its Woodlot investments.

2 Agricultural Feasibility and Assumptions – Is it agriculturally sound?



2.1 Where is the Project located?

FEA advises AAG that the hardwood plantations included in Option 1 and Option 2 will be located in Tasmania, northern NSW and southeast Queensland, while the radiata pine plantations in Option 3 will be located in Tasmania.

Tasmania is one of Australia's most important forestry regions accounting for approximately 14% of Australia's hardwood and softwood plantations in 2006 by area. Tasmania has a highly developed forestry industry and is the largest producer of hardwood. Approximately 18,410 hectares of the company's forestry estate is located in Tasmania.

The establishment of private hardwood plantation sites in northern NSW and southeast Queensland is relatively new, in comparison to other regions. Although the company is less experienced in establishing and managing hardwood plantations in the region, FEA is one of the largest forestry companies operating in the region with approximately 27,000 hectares currently under management and has been successful so far in establishing hardwood plantations.

All land sourced for the Project must meet certain land selection criteria set out by FEA. Under the criteria established by FEA, only properties that receive a minimum of 800 mm and are situated on deep and fertile soils will be selected. FEA does not always conduct soil digs to determine soil depth of proposed plantation sites. Sites that are not dug with a backhoe by an independent soil scientist are augured by FEA staff that check soil structure and depth. FEA also uses its experience and other nearby plantations as a guide to site suitability. FEA advises that it will only select sites that are generally within 150 kilometres from potential ports or likely processing centres.

FEA plans to establish a very small percentage (~2%) of the plantations on second rotation sites. The second rotation sites included in the Project will likely be those originally established in 1992 and 1993 and are nearing harvest. Growth rate data and actual results achieved on these sites provided by FEA suggest these sites have the capacity to meet the company's production targets for the Project.

2.2 What is the plantation management regime?

The ground preparation methods for the Project plantations will vary according to the slope and condition of the property sites. On any first rotation sites, FEA will push any vegetation debris into windrows which are expected to be incorporated as organic material over time. Generally, FEA will prepare these sites by ripping and mounding the planting lines parallel to the contour lines in a bid to improve the water retention on site. On the steeper and second rotation sties, FEA will likely undertake spot cultivation. The mounds on all sites will be sprayed prior to planting with a knockdown and residual herbicide spray mix to minimise germination of weeds after planting. The Independent Forester believes the methods FEA intends to undertake are well proven and are suitable for the promotion and maintenance of early growth.

FEA will source improved seed stock for seedlings, with the hardwood plantations expected to be established at approximately 1,200 trees per hectare and radiata pine plantations at approximately 1,330 trees per hectare (Table 1).

Table 1 – Summary of Plantation Management Regime			
	Option 1	**Option 2**	**Option 3**
Species	Shining Gum (*Eucalyptus nitens*), Dunn's White Gum (*E. dunnii*), Spotted Gum (*Corymbia citriodora* ssp *variegata*), Sydney Blue Gum (*E. saligna*) and Blackbutt (*E. pilularis*)		Radiata Pine (*Pinus radiata*)
Stocking	1,200 trees/ha	1,200 trees/ha	1,300 trees/ha
Rotation	13 years	16 years	25 years
Pruning	N/A	Years 3, 5 and 7	N/A
Thinning harvest	Year 10	Year 10	Years 14 and 19
Clearfall harvest	Year 14	Year 17	Year 26

The species to be established on each site will be selected according to their suitability to the regions climate, soil type and other site factors relevant to the particular location along with advice from the independent forester. The RE intends to establish Shining Gum (*Eucalyptus nitens*) in Tasmanian plantations, while a number of species, as outlined in Table 1, will be established in NSW and Queensland plantations. The timber species to be established in Option 3 plantations is Radiata Pine (*Pinus radiata*), a softwood species which is the most widely established in Australia.

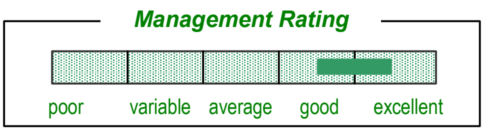
The control of weeds during the early stages of the Project is extremely important to the final outcome of the Project, particularly for those plantations located in northern NSW and southeast Queensland, where the sub-tropical climate promotes significant and rapid weed growth. Post plant weed control will be undertaken to combat the influence of weeds in the early stages. The experience of FEA in establishing plantations in the sub-tropical regions will assist investors in this Project.

The RE provide investors a stocking guarantee of 90% for a period of two years from the date they are registered as a holder of a Woodlot, which given the 12-month rule, will be approximately 12 months after establishment.

FEA will fertilise the trees at establishment, with the rate of the initial application dependent on the fertiliser history of the property. During the course of the rotation, FEA will fertilise the plantations as required to achieve targeted growth. In terms of the detection of pests and diseases, FEA will monitor and take remedial action if required.

Only Option 2 is scheduled for pruning. Trees in this option will be selectively pruned in years 3, 5 and 7 (Table 1).

3 Management – who is running the business for me?



3.1 What is the Corporate Structure?

The Responsible Entity (RE) is **FEA Plantations Ltd** (FEA Plantations), a wholly owned subsidiary of **Forest Enterprises Australia Ltd** (FEA).

FEA has been engaged by the RE to undertake the on-ground management activities of the Project on behalf of investors. On behalf of investors, FEA Plantations has also entered into a Wood Purchase Agreement with FEA under which FEA will purchase all the timber harvested from the Project. Investors are able to gear their investment in the Project through FEA.

Two subsidiaries, including **FEA Timber Pty Ltd** (FEA Timber) and **SmartFibre Pty Ltd** (SmartFibre), may be involved in the purchase of timber from FEA.

FEA Plantations has appointed **Tasmanian Perpetual Trustees Ltd** as Custodian for the Project. It holds the funds of the investors until directed by the RE to release them.

3.2 Is the Responsible Entity Skilled and Experienced?

FEA was established in 1985 and is one of Australia's leading forestry and forest products businesses. FEA was listed on the Australian Stock Exchange (ASX) in June 2000 (code: FEA) and at January 2008 had a market capitalisation of $241 million.

FEA Plantations has released 16 forestry MIS projects to investors and has approximately $280 million in subscription monies under management.

FEA's current hardwood plantation estate stands at 45,419 hectares. In addition, FEA owns or manages a further 19,000 hectares of native forest and other freehold land that are not related to the MIS projects it has released to investors. FEA is a fully integrated forestry company and is heavily involved in the processing and marketing of timber products through its subsidiaries FEA Timber Pty Ltd (FEA Timber) and SmartFibre Pty Ltd (SmartFibre).

The FEA Board of Directors are experienced in a range of industries. Details on the FEA Board of Directors are included in Section 1.2 in the Part B Track Record Review.

3.3 Is the on-ground Manager Skilled and Experienced?

AAG considers FEA to be one of the leading plantation forestry managers in Australia. The company has over 20 years experience in the establishment and management of plantation forests and has developed a strong track record.

FEA employs a large number of competent foresters with experience in the management of hardwood plantations. Although the company is less experienced in the management of softwood plantations, AAG remains confident in its ability to establish and manage the softwood resource in line with industry best practice.

The day-to-day management of the Project will be undertaken by FEA's Forestry Operations division which is headed by the company's General Manager Plantations, Chris Barnes. FEA also has a Forestry Services division that will provide the internal audit and compliance, environmental and estate management services for the Project. This division is headed by the company's Director of Forestry Services, Tony Cannon, and Manager Forestry Services, Andy Corbould.

Chris Barnes, General Manager Plantations

B Ag Sc (Hons), MBA

- Joined FEA in June 2007.
- 15 years experience in the horticulture and forestry industries.
- Former Plantation Manager at Gunns Plantations Limited.
- Former Agronomist at Perfecta Produce.
- Member of the Australian Institute of Agricultural Science and Technology (AIAST).

Tony Cannon, Director Forestry Services

B Sc (Forestry), ANU, MIFA, MACFA, MAICD, RPF

- Founding Director of FEA.
- 30 years experience in the plantation forestry industry.
- Previously involved in supervising and managing a plantation programme for Boral Timber Tasmania Ltd for eleven years.

Andy Corbould, Manager Forestry Services

B Sc (Forestry)

- 16 years experience in the forestry industry.
- Previous Assistant District Manager at Forestry Tasmania.
- Former Land Acquisition Manager with State Forests NSW.
- Former Planning Manager with Gunns Ltd.

4 Market Overview – where will the product be sold?

4.1 Hardwood woodchip component

Japan is Australia's most important woodchip market, accounting for 86% of Australia's exports in FY2006. Other notable importers of Australian hardwood woodchips are Taiwan, South Korea and China with 8%, 6% and 4% of the market respectively.

Due to the nature of its paper products industry and market, Japan is the major world market for hardwood woodchips. Australia is the leading exporter of hardwood woodchips to Japan accounting for a 34% share in 2006. Australia's main competitors into the Japanese market are South Africa and Chile.

The bulk of Australian woodchip exports over the past two decades have been from low quality logs produced from sawlog harvesting operations in native forests and from sawmilling residues. However, with the advent of a rapid increase in plantation hardwood timber to be harvested in the coming few years, the volume of woodchips from plantations has increased significantly in recent years. How this affects the supply and demand dynamics of the industry remains to be seen.

If you require more information on the Australian hardwood woodchip industry and market, please refer to the respective AAG market overview at www.ausagrigroup.com.au/mis/misoverviews.php.

4.2 Sawn and veneer hardwood component

The total production of sawn hardwood in Australia has decreased substantially over the past decade, with much of this to do with continued reduction in native forest areas for sawn hardwood production. As a result, Australia continues to rely on imports to meet demand.

The main use of sawn hardwood in Australia has traditionally been the framing and structural timber markets. However, due to competition from the sawn softwood industry, an increasing trend is for sawn hardwood timber to be used in higher value products such as feature flooring, bench tops and furniture components.

Veneer can be broadly divided into two main categories with decorative veneer used at the higher end of the value adding chain and structural veneer primarily used in the production of plywood. Although Australian exports of veneer have increased over the past decade, the country is still a net importer of decorative and structural veneers, with Spain and New Zealand being the leading exporters of the resource into the country.

4.3 Softwood component

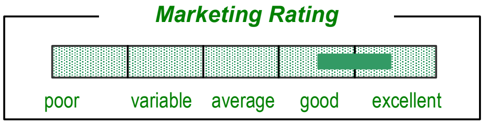
The sawlog market is the primary market for the Australian softwood industry by value, with the market for pulpwood products (such as woodchips) and wood based panels important, but smaller industries.

Most of the sawn softwood produced in Australia is consumed locally with excess demand met by imports, therefore, resulting in a relatively small export market. The majority of sawn softwood is used for house framing, and it is also a valuable resource for its use in decking, fencing, furniture and joinery.

All of Australia's softwood woodchip exports are sent to Japan, with Australia being the major exporter of softwood woodchips into Japan.

If you require more information on the Australian hardwood woodchip industry and market, please refer to the respective AAG market overview at www.ausagrigroup.com.au/mis/misoverviews.php.

5 Marketing – how will the product be sold?



As RE of the Project, FEA Plantations is responsible for the harvesting and marketing operations for timber produced from the Project. FEA Plantations has entered into a Wood Purchase Agreement with FEA relating to the purchase of investors' timber at harvest from the Project.

Under the terms of the Wood Purchase Agreement between the related entities, FEA will pay the prevailing market stumpage price at the time and will also take into account the proposed end-use of the timber and the prices being paid by other purchasers for similar product in their respective states. For timber harvested from Options 1 and 2, FEA has a mechanism in place under which the price paid to investors will not be less than the 'Floor Price', which is linked to the price received by FEA for the final product. We discuss the Floor Price mechanism in detail in Section 7.1.3.

FEA has no Floor Price mechanism in place for the softwood products harvested from Option 3. Instead, under the terms and conditions of the Wood Purchase Agreement, the purchase price proposed by FEA for this resource will not be less than the market stumpage price at that particular time.

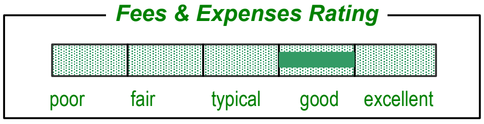
It is anticipated that FEA will on-sell all the timber produced from the Project to established companies including two subsidiaries, FEA Timber and SmartFibre. Other companies outside of FEA may also be used.

FEA Timber is the timber products and trading division of FEA and manages a modern sawmilling facility at Bell Bay in Tasmania. FEA Timber markets much of its timber product under the EcoAsh® and BassPine™ brands, which are currently retailed across Tasmania through some of Australia's largest hardware and building products businesses. A number of developments have taken place at FEA Timber in recent times, with the company recently undertaking a $72 million expansion of its sawmilling operations and the company securing of a 10 year 290,000 m^3/year softwood log purchase agreement with Taswood Growers, the state's major softwood plantation owners. These developments will only benefit investors in the Project.

SmartFibre is owned in conjunction with ITC Limited (ITC) (50% share each) and manages a woodchip processing facility also located at Bell Bay in Tasmania. SmartFibre exported approximately 300,000 tonnes of wood fibre to manufacturing customers in Japan and China in FY2007.

Given the size and scale of FEA's timber and processing facilities in Tasmania, AAG is very confident in the company's ability to market the timber harvested from this region to the benefit of investors. Although FEA does not have the same scale of operations in northern NSW and southeast Queensland, FEA has advised us of their intentions going forward in the region. This includes increasing the size and the scale of the operations through further establishment of plantations in the area, as well as the construction of a large scale saw mill and processing facility in proximity to plantations located in the region. A feasibility study on the various options is well underway.

6 Fees and Expenses – What does it cost?



6.1 What are the subscription and on-going fees?

Investors in Options 1, 2 and 3 pay an Application Fee equivalent to $6,300 per hectare upon subscription (Table 2). This is in line or lower than other conventional forestry projects currently on the market. As Table 2 indicates, the Application Fee for investors in Option 4 is $21,000 for seven Woodlots across Options 1, 2 and 3 (the minimum investment). We note that this investment represents an approximate 5% discount on Woodlots being purchased individually.

Table 2 – Fees and Expenses for the Project

	Option 1	Option 2	Option 3	Option 4
Application Fee per unit	$3,150			$21,000
Application Fee per hectare	$6,300			$6,000
Management Fees	3% of Harvest Proceeds (HP)			
Lease Fees	12% of HP		7% of HP	Note **2**
Pruning Fees • FY2011 • FY2013 • FY2015	 N/A N/A N/A	 $360 $380 $400	 N/A N/A N/A	 $360 $380 $400
Insurance	Optional			
Average NPV of costs per hectare per year Note 1	$572 ($527 – $628)	$622 ($558 – $722)	$295 ($286 – $305)	$620 ($578 – $679)

Note: all costs exclude GST
*Note **1**: NPV = net present value of application costs, ongoing lease and management fees and marketing expenses assuming Base Scenario assumptions (figures in brackets are the Lower and Higher Scenarios).*
*Note **2**: 12% of HP from timber harvested from Options 1 and 2, and 7% of HP from timber produced from Option 3.*

Investors pay no ongoing management or rental fees during the term of the Project. Instead investors pay these fees on a success basis as a proportion of Harvest Proceeds (Table 2). AAG believes the quantum of the deferred fees is reasonable.

Investors who invest in Option 2 (and Option 4) are required to pay the cost of the pruning during the term of the Project (Table 2). The pruning fees payable, which increase based on CPI, are outlined in Table 2 and will be invoiced to investors in the years in which pruning takes place, which under the current management regime is expected to occur in years 3, 5 and 7.

Insurance is optional in the Project, with the cost of insurance borne by the investor. We strongly recommend investors insure their Woodlots against fire and have included the estimated cost of doing so in our financial analysis for the Project.

As projects vary in fee structures and amounts charged, we use a present value (PV) of costs (@7%) per hectare per year to compare between projects. To be clear, the PV of costs is the sum of all future costs of the project (excluding harvesting and production costs) discounted to a present day value at a 7% discount rate.

Figure 1 compares the PV of costs for the four Options with the average PV costs for hardwood woodchip, sawn hardwood and sawn softwood projects we have reviewed in the past 12 months.

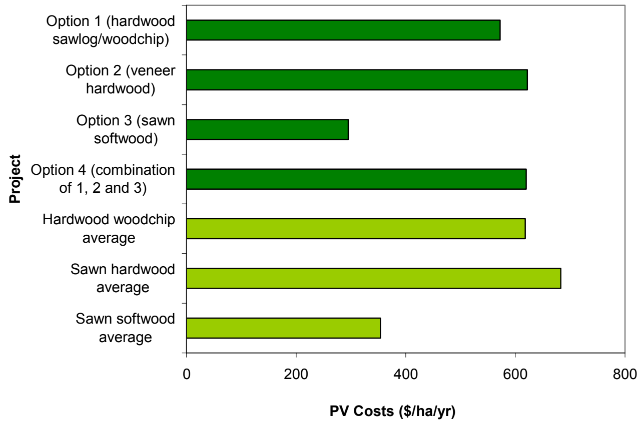


Figure 1 – Chart comparing the PV of costs ($/ha/yr) for the Project and other relevant projects AAG has reviewed over the past 12 months

The PV of costs for all Options are lower than the average of the projects they are most similar to (Figure 1).

6.2 Is finance available?

Investors are able to finance their investment in the Project through FEA. There are a number of full recourse options available ranging from a 12 month interest free loan through to a 3 years interest only plus 12 years principal and interest loan. The terms and conditions of the loans vary according to the length of the loan. Rates are fixed for the term and range between 8.5% for a 3 year loan, and increase to 11% for a 15 year loan. Investors pay no application fees, with a 10% deposit payable for loans above $100,000.

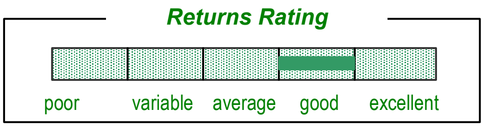
Investors should seek the advice of their advisors before committing to finance or a finance company.

6.3 What commissions are paid?

FEA Plantations advises us that it may pay commissions or brokerage up to 8% of the application monies to licensed financial advisers and financial planners from its own funds. The RE states that it may also pay additional marketing expenses associated with the promotion of the Project to financial advisers and financial planners.

AAG advises that MIS operators generally pay commissions of between 5% and 15%. AAG would prefer to see commissions of between 5% and 8%.

7 Returns – What will I get back?



7.1 What are the underlying assumptions to the returns?

AAG generally model three scenarios when analysing a project's returns expectations:

- The Base Case scenario is our best estimate of the returns;
- The Lower Case scenario is a lower scenario based on the lower end of the underlying assumptions. This scenario is not necessarily the lowest returns possible, but is at the lower (not lowest) end of the potential sensible range of returns estimates; and
- The Higher Case scenario is a higher scenario based on the higher end of the underlying assumptions. This scenario is not necessarily the highest returns possible, but is at the higher (not highest) end of the potential sensible range of returns estimates.

Actual returns may fall outside of these ranges.

Those Investors who are more risk averse, should focus on the Lower Scenario in their investment decisions and conversely, those investors who have a greater appetite for risk should focus on the Higher Scenario. This is due to the fact that the Lower Scenario has a greater chance of being exceeded than the Higher Scenario.

Average Investors should focus on the Base Scenario outcomes with an understanding of the potential for variation, generally within the range of the Lower and Higher outcomes, but should note that returns may fall outside of the range specified.

Table 3 outlines a summary of the underlying assumptions used in the financial analysis. It is not meant to be limiting or absolute in the values outlined and should be used with caution and read in conjunction with the entirety of this report.

Investors and financial planners should refer to the cash flow calculator available from FEA when considering the returns. It can be used to calculate returns based on their own considered underlying assumptions.

Table 3 – Underlying Assumptions Used in the Financial Analysis

	Scenario		
	Lower Note 1	**Base** Note 2	**Higher** Note 3
Project Costs	Refer Section 7.1.1		
Inflation Rate	2.2%	2.5%	2.8%
Price Growth Escalation Factor	2.2%	2.5%	2.8%
Option 1 and Option 2			
Yield	20 m³/ha/year	27 m3/ha/year	32 m3/ha/year
% Sawlog at first thinning • Option 1 & 2	0%	5%	10%
% Sawlog at clearfall • Option 1 • Option 2	30% 40%	45% 50%	55% 60%
Stumpage Price • Thinning • Clearfall	"Floor Price" "Floor Price"	$42 m³ $45 m³	Base plus 20% Base plus 20%
Sawlog Premium • Option 1 & 2 • Option 2 at CF	20% 50%	25% 100%	30% 150%
Option 3			
Yield	Base less 10%	Refer to Table 4	Base plus 10%
Stumpage Price	Base less 10%	Refer to Table 5	Base plus 10%

CF = Clearfall

*Note **1** – Towards the lower end of the potential range (not necessarily the lowest)*
*Note **2** – For use in quoting a base case assumption (not necessarily exactly between the Lower and Higher figures).*
*Note **3** – Towards the higher end of the potential range (not necessarily the highest)*

7.1.1 Costs

Please refer to Section 6.1.

Although insurance is optional in the Project, AAG has included the cost of insurance for all investment Options in the financial analysis. Our insurance cost estimates are based on the current rates that have been provided by FEA.

7.1.2 Yield and Quality

Plantation yields are influenced by a number of factors including site selection, genetics, management and annual rainfall.
AAG has researched a significant number of MIS hardwood timber projects since 2000, with targeted growth rates tending to range between 20 m³/ha/year and 30 m³/ha/year.

FEA has assumed that plantations in Option 1 and Option 2 will each achieve a growth rate of 27 m³/ha/year over their respective 13 year and 16 year rotation length. FEA has estimated that Option 1 plantations will yield a total of 355 m³/ha, including 95 m³/ha at thinning after 9 years growth, with the balance harvested at clearfall. For Option 2, FEA has assumed that a total of 430 m³/ha will be harvested over the length of the rotation including 95 m³/ha at age 9 and the balance at clearfall.

The Independent Forester for the Project, Gerry Cross from VDFC Pty Ltd (VDFC) is supportive of FEA's yield estimates stating that assuming intensive site preparation, the fertilisation regime proposed, the quality of chosen sites and expected good follow up maintenance, the Project stands are likely to achieve yields of an average of 27 m³/ha/year (range of 22 m³/ha/year to 32 m³/ha/year). This is consistent with growth rates achieved to date on the FEA managed estates.

For the Tasmanian plantations, the Independent Forester has based this assumption on past FEA performance and predictions from the Tasmanian Farm Forestry Toolbox, which is a publicly available modeling system for stand productivity contributed to by several research organisations. The Independent Forester advises that published reviews of plantations in northern NSW coupled with the results from early growth plots for FEA's plantations in the region 'make it reasonably certain' that under the management regimes proposed by FEA, the plantations located in northern NSW and southern Queensland will achieve a growth rate range of 22 to 32 m^3/ha/year and an average of 27 m^3/ha/year. It is important to note that there still remains many unknowns regarding the best silvicultural approach to establishing and managing plantations in northern NSW and southern Queensland, particularly in relation to the selection of suitable species and weed and pest control. These unknowns present risk to investors.

When looking at yields, we believe it is important to look at the past performance of the company in the given field. Results from previous FEA forestry projects show yields and growth rates to be generally in line with those targeted for this Project. For a more in-depth look at past performance, please refer to Section 3 in the Part B Track Record Review.

Given our discussions above, AAG has used the yield estimate outlined by FEA (27 m^3/ha/year) as our Base Scenario for Option 1 and Option 2. We have used the Independent Forester's upper end estimate of potential growth (32 m^3/ha/year) and 20 m^3/ha/year as our Higher and Lower Scenarios respectively.

As well as the total volumes, the break up of pulpwood to sawlog is very important as sawlogs achieve a higher price than pulpwood. AAG's break down estimates for the product classes for each Option are outlined in Table 3. These estimates are in line with the estimates used by the Independent Forester. We have assumed only small volumes of sawlog at thinning, with greater volumes at final harvest. As Option 2 will grow trees on for longer, there is likely to be a higher proportion of sawlogs at that stage than in Option 1.

As *Pinus radiata* has been used widely in plantations in southern Australia and particularly intensively since the 1960's, the management of *P. radiata* is well understood and documented.

FEA has estimated a growth rate of 22 m^3/ha/year in their internal model for Option 3, a figure, which is supported by the Independent Forester. FEA believes that first thinning will produce mainly pulpwood and some small unpruned sawlogs, with the second thinning producing mainly small and medium sized sawlogs and some pulpwood. Clearfall harvest is expected to produce mainly medium and large sized sawlogs and a small amount of pulpwood. FEA and the Independent Forester have outlined the proportion of pulpwood and sawlogs that could be expected to be produced at each harvest based on a MAI of 22m^{3}ha/year over a 25 year rotation (Table 4).

Table 4 – Independent Foresters estimated pine yields

	Age 13	Age 18	Age 25
Pulpwood (m^3/ha)	66	40.4	35.4
Sawlog (m^3/ha) <24 cm	32	22.0	54.9
Sawlog (m^3/ha) 24 to <32 cm	-	33.7	98.8
Sawlog (m^3/ha) 32 to <45 cm	-	11.5	88.9
Sawlog (m^3/ha) >45 cm	-	-	66.7

Note: Based on MAI of 22.0 m^3/ha/year

The yield estimates outlined in Table 4 are similar to those used by another MIS forestry company operating in the industry. We are comfortable with these estimates and have used them as our Base Scenario in our financial analysis. For the Lower and Higher Scenarios we have used the same proportions but with increments of ±10% on overall yield.

7.1.3 Price

FEA has advised that investors' trees will be sold on a stumpage basis. A stumpage price is the actual amount that timber buyers pay growers for standing timber prior to harvest and is calculated by deducting the costs incurred in harvesting and transporting the timber resource from the price a mill is prepared to pay (i.e. mill door price).

FEA has assumed in their internal financial model for the Project that it will achieve stumpage prices for pulpwood harvested from Option 1 and Option 2 ranging between \$42/m^3 for thinnings and \$45/m^3 for final harvest. These stumpage estimates are supported by the Independent Forester, Gerry Cross, and reflect the recent increase in woodchip prices in Australia. Harvesting costs are higher for thinning operations compared to those at final harvest due to complexity and time cost per volume of timber harvested.

FEA has based its stumpage estimates on several factors including the current Leading Australian Hardwood Chip Exporter (LAHCE) benchmark price for woodchips exported from Tasmania, plantation price premiums and harvesting, transport and chipping costs. The harvesting, transport and chipping costs will be largely influenced by the haulage distance of the plantations. FEA states that the average cartage distance for Tasmanian plantations will be approximately 170 kilometres from its Bell Bay facility, however on average, less than 100 km from processing facilities generally.

In northern NSW and southeast Queensland, the haulage distance depends on the product produced. FEA has estimated an average haulage distance of up to 280 kilometres for these plantations (to Brisbane port), with those plantations harvested for sawlog products likely to be within 30 to 80 kilometres from processing centres at Casino, Kingaroy and Walcha. Clearly these are large distances for pulpwood and the development by FEA of processing options close to the plantations in NSW is critical. This will assist growers in achieving a more commercial stumpage price. In NSW given the distance, transport by rail is potentially a more commercial option.

We have accepted FEA's stumpage price estimates proposed by FEA for pulpwood and have used them as our Base Scenario. We have used +20% for the Higher Scenario. For the Lower Scenario we have used the "Floor Price" as described in the PDS. For the thinning operations, this is calculated as 35% of the FOB Bell Bay Price, where the FOB Bell Bay Price is the average price of hardwood plantation woodchip exports at FEA's Bell Bay sawmill, multiplied by 48% (being the estimated fraction of dry fibre). The calculation for the clearfall harvest timber is 39% of the FOB Bell Bay Price. Given the current LAHCE price out of Bell Bay and the price premium for 100% plantation timber over native grown timber, the 'floor price' for pulpwood at thinning and clearfall harvest would be \$33.68/GMT and \$37.53/GMT respectively. We have used these figures for our Lower Scenario.

As discussed previously, we have assumed that a proportion of unpruned sawlogs will be harvested from the first thinning from both Option 1 and Option 2 and at clearfall harvest for Option 1. The Independent Forester states that unpruned Tasmanian plantation sawlogs currently fetch 20-30% more than pulpwood for the same coupes under standard management regimes as provided for the hardwood plantations in this Project, with evidence suggesting similar prices are achievable for wood from plantings in NSW and Queensland. We have used the midpoint of this range (25%) as our Base Scenario and the upper end of the range as our Higher Scenarios. For the Lower Scenario we have used the 'Floor Price', which is calculated as 120% of the Pulpwood Floor Price. This works out to be \$40.42/GMT for unpruned sawlogs harvested from thinning and \$45.04/GMT for those harvested at clearfall.

A premise behind Option 2 is that as a result of the pruning regime undertaken, clearwood will be produced from the clearfall harvest. The Independent Forester advises that because it is clear of knots and other appearance defects, clearwood is generally viewed as producing the most valuable timber because of its appearance as well as its strength and reliability for intricate uses. It is also suitable for veneer markets.

The view of the Independent Forester is that FEA can be relatively confident that pruned (clear) hardwood sawlogs will achieve prices at least double that of lower priced unpruned logs. This assumption is made in view of current prices for both hardwood and softwood value added products. We believe that the establishment of FEA's EcoAsh® branded timber will be a positive to investors in Option 2, assisting the company achieving a price premium for the clearwood product (EcoAsh Clear®). Given that not all sawlogs produced from the Option 2 clearfall harvest will meet clearwood specifications, we have been conservative with our assumptions for sawlogs produced from this harvest. For the Base and Higher Scenarios, we have assumed that sawlogs harvested from the Option 2 clearfall harvest will achieve a price premium double and 150% of their respective pulpwood prices. The Lower Scenario is based on the 'Floor Price', which is calculated as 200% of the Pulpwood Floor Price ($67.36/GMT at thinning and $75.06/GMT at clearfall harvest).

FEA's price estimates for the softwood resource harvested from Option 3 are based upon prices outlined in Australian Pine Log Price Index (APLPI) as at March 2007. The APLPI is produced by KPMG in conjunction with URS Forestry and has provided data on the weighted average prices for domestic sales of sawlogs of various sizes from eastern Australia in the past 11 years.

The average price for each log class in the past 11 years is outlined in Table 5.

Table 5 – Pine prices used in the financial analysis

	Stumpage Price
Pulpwood (m^3/ha)	\$9.94 m^3
Sawlog (m^3/ha) <24 cm	\$34.14 m^3
Sawlog (m^3/ha) 24 to <32 cm	\$46.39 m^3
Sawlog (m^3/ha) 32 to <45 cm	\$64.55 m^3
Sawlog (m^3/ha) >45 cm	\$76.32 m^3

As prices reported in the APLPI provide a good indication to the current market for the softwood industry, we have used the data outlined in Table 5 as our Base Scenario for the softwood component of the Project and ±10% as our Lower and Higher Scenario respectively.

7.1.4 Inflation Rate

Inflation will impact on the costs payable by investors during the term of the Project.

The average rate for inflation for the past 10 years was 2.5%, with the inflation rate measured for the year ending December 2007 running at 3.0%. The Reserve Bank of Australia (RBA) has a mandated target rate for inflation of between 2% and 3%. Using the mandated target rate as a guide, we have used the midpoint (2.5%) as our Base Scenario and 2.2% and 2.8% as our Lower and Higher Scenarios respectively.

7.1.5 Price Growth Escalation Factor

Although Australian hardwood woodchip export prices have increased in nominal terms since the early 1990's, they have declined slightly in real terms. The supply and demand balance of woodchips will ultimately determine any price growth (or price decline) going forward. Overall, there is disagreement between experts as to which way woodchip prices are likely to move going forward. Some industry commentators believe an increase in domestic supply and decrease in international demand will result in an oversupply of Australian grown timber. Other commentators disagree and believe demand for plantation fibre in existing markets such as Japan, will increase at a similar level as the expected level of future Australian production. We have assumed that prices for hardwood woodchips will move in line with inflation, that is, no real price growth.

Although restrictions in the supply of sawn hardwood logs from native forests will assist with price growth for the sawlogs harvested from Option 2, there is limited public price information for sales of the plantation grown resource. Given the limited information available, we have assumed that prices will move in line with inflation.

Research suggests that real softwood sawlog stumpage prices have declined since the late 1990's, but have flattened out since 2003. Real softwood pulpwood stumpage prices have declined quite significantly over the last decade. Our assumption in our analysis is that softwood sawlog and woodchip prices will move in line with inflation.

7.1.6 Other Assumptions

The 12 months rule available to MIS forestry companies allows FEA to plant the Project trees throughout the year following investment. As a result, this financial analysis assumes that the Project will run for a year longer than the rotation length.

7.2 What are the estimated returns?

The potential cash flows per Woodlot under the Base Scenario for each Option are outlined in the charts below.

Investors in Option 1 are expected to receive income from a thinning in year 10 and clearfall harvest four years later (Figure 2). Except for the cost of insurance, which is evident in the chart, investors pay no ongoing costs for the duration of the Project.

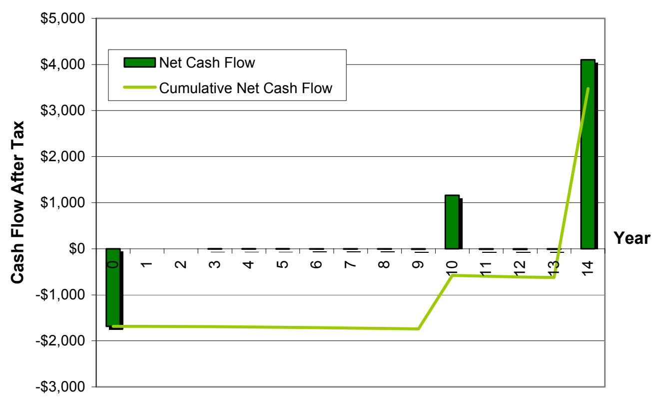


Figure 2 – Chart showing the net cash flow after tax and cumulative net cash flow after tax (@46.5%) for Option 1 under the Base Scenario

Option 2 investors will also receive income from two harvesting operations, with the first income received in year 10 from the thinning operation and the second lot of income received at clearfall harvest in year 17 (Figure 3). The pruning costs which are expected to be paid in years 3, 5 and 7 are evident in the cash flow for the Option, as are the insurance costs which are payable by investors under our assumptions for the term of the investment.

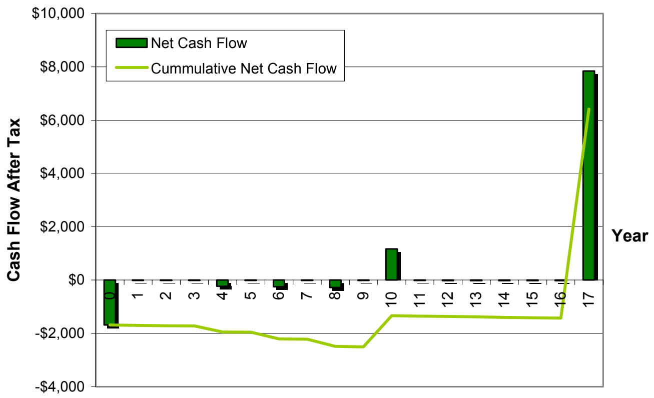


Figure 3 – Chart showing the net cash flow after tax and cumulative net cash flow after tax (@46.5%) for Option 2 under the Base Scenario

Like the Option 1 offering, investors in Option 3 don't pay any ongoing costs for the term of the investment except for the cost of insurance. Under the planned harvesting regime, investors can expect to receive income from three harvesting operations including thinning operations in year 14 and year 19 and clearfall in year 26 (Figure 4).

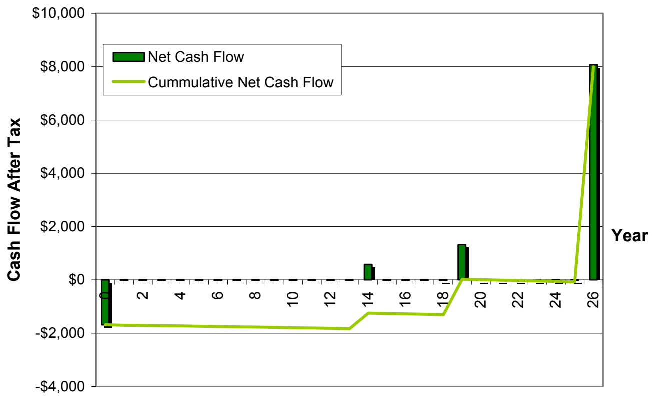


Figure 4 – Chart showing the net cash flow after tax and cumulative net cash flow after tax (@46.5%) for Option 3 under the Base Scenario

As discussed previously, Option 4 involves the purchase of seven Woodlots including four from Option 1, one from Option 2 and three from Option 3. Investors can expect to receive income several times during the term of their investment (Figure 5).

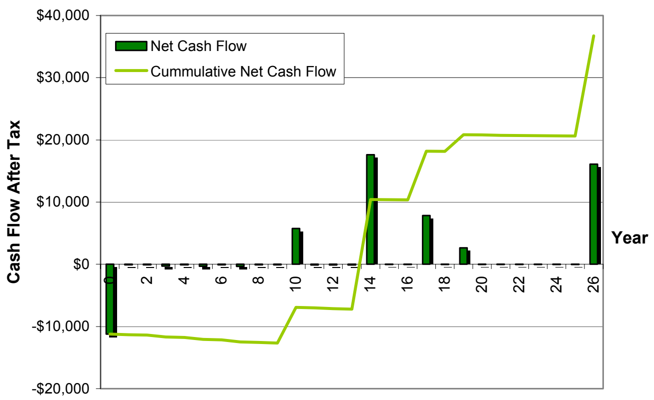


Figure 5 – Chart showing the net cash flow after tax and cumulative net cash flow after tax (@46.5%) for Option 4 under the Base Scenario

Table 6 outlines the potential returns for the Project based on our underlying assumptions outlined in Section 7.1.

Table 6 – Rates of Return for the Project		
	AAG Estimated Returns (IRR after tax @ 46.5%) Notes 1, 2, 3	
	Cash	**5-year P&I loan**
Option 1	8.9% (4.1% - 12.6%)	15.4% (4.1% - >20%)
Option 2	9.3% (3.9% - 13.9%)	12.5% (3.8% - >20%)
Option 3	7.4% (6.1% - 8.7%)	8.7% (6.8% - 10.5%)
Option 4	8.7% (5.4% - 11.9%)	12.0% (6.0% - >20%)

*Note **1** – As a standard across all projects, AAG Adjusted Returns assumes all GST is rebated and all tax is refunded in the year the expense is paid.*
*Note **2** – AAG Estimated Returns uses the ranges and variables as outlined in the Section 3.1.*
*Note **3** – figures in brackets are Lower and Higher Scenarios.*

Returns for all Options are in line or higher than similar projects currently on offer to investors. The returns for Option 2 are higher than those produced from the shorter rotation woodchip project, reflecting the higher value logs produced from this investment offering.

In addition to the returns on a cash basis, we have also included the returns when investors choose to gear their initial fees using a 5-year P&I loan (Table 6). These returns highlight the potential upside and downside for investors financing their investment in MIS.

AAG has included a graph comparing the potential returns for the four Options with the average of MIS projects released in the previous few years (Figure 6). This graph should not be considered in isolation when comparing between projects.

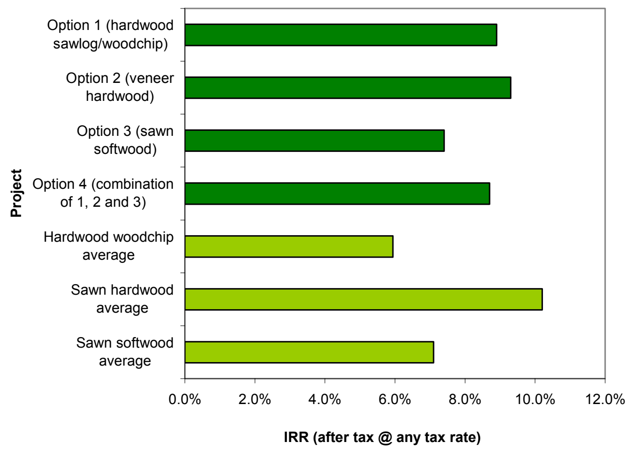


Figure 6 – Chart comparing IRR for the options under this Project and the average of other relevant projects in the past 12 months.

Figure 6 shows the estimated returns for Option 1 and Option 3 to be slightly higher than the average of similar MIS projects. The estimated returns for Option 2 are lower than the sawn hardwood project average, but this only includes two other projects of which one is a tropical species project.

7.3 What is the sensitivity of these returns?

Figure 7 outlines the sensitivity of Options 1, 2 and 3 to changes in yield or price (under the Base Scenario).

As the slope of the lines indicate, Option 3 is the least sensitive to changes in price or yield. We note that this is primarily due to the long-term nature of investment in this Option. Options 1 and 2 are very similar in terms of their sensitivity to changes in price or yield.

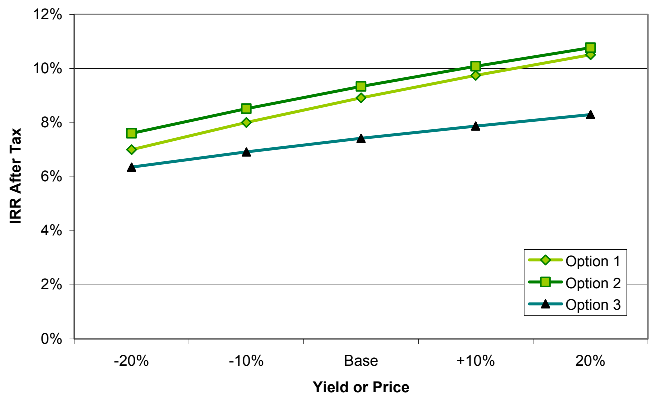


Figure 7 – Chart showing the impact of changes in yield or price on the Base Scenario returns for Option 1, 2 and 3 at 46.5% tax rate.

Figure 8 illustrates the impacts of change in the yields or price for both the hardwood and pine timbers harvested from the Option 4 investment. Of the two timbers grown in Option 4, it is changes in the yield or price of hardwood that most affects the returns to investors, albeit very slightly. This is primarily due to the fact that income from harvested hardwood plantations is estimated to represent a larger proportion of total returns than pine.

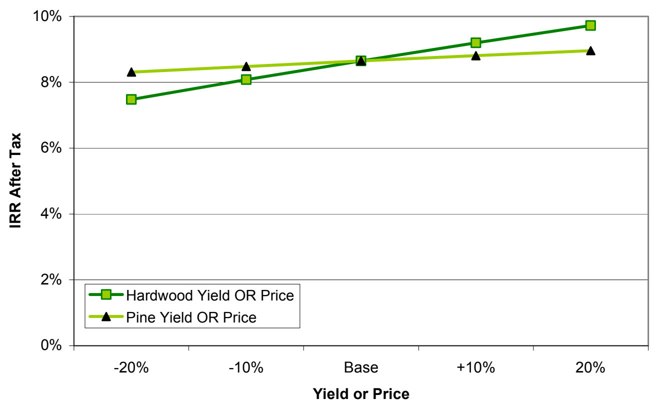


Figure 8 – Chart showing the impact of changes in hardwood yield and price and softwood yield and price on the Base Scenario returns for Option 4 at 46.5% tax rate.

AAG considers the Project to be very robust to changes in yield or price, especially Option 4. This is a good demonstration of the benefits of diversification. The robustness of the returns to changes in yield or price are also highlighted by the threshold analysis results in Table 7 (for Option 1, 2 and 3) and Table 8 (for Option 4).

Table 7 – Financial Analysis and Sensitivities for Options 1, 2 and 3 (Cash Basis)

	Option 1	Option 2	Option 3
Benefit Cost Ratio @ 7% Note 1	1.20 (0.74 – 1.69)	1.28 (0.70 – 2.01)	1.08 (0.99 – 1.35)
Breakeven Point (yrs)	14 (14 – 14)	17 (17 – 17)	26 (26 – 19)
Threshold analysis Note 2, 3 – Price OR Yield	66% (39% - 78%)	71% (40% - 84%)	78% (72% - 83%)
Threshold analysis Note 2, 3 – Price AND Yield	41% (22% - 53%)	46% (23% - 60%)	54% (47% - 59%)

*Note **1** Excluding any shares, options. Up front cash and before tax basis.*
*Note **2**: Threshold analysis is the % reduction in price or yield where break even occurs (i.e. when IRR =0%)*
*Note **3** – figures in brackets are Lower and Higher Scenarios.*

A benefit cost ratio (BCR) is the ratio of the value of benefits to the value of costs (discounted at 7%). A BCR of less than a value of one means that the costs of the project over time outweigh the benefits paid while conversely a BCR value of greater than one means that benefits outweigh the costs after accounting for the time value of money. Larger positive BCR's mean that the benefits significantly outweigh the costs. A BCR of 1.0 equates to a before tax return of 7%.

The BCR's for all four Options are in line with those for other similar offerings on the MIS market (Table 7 and Table 8).

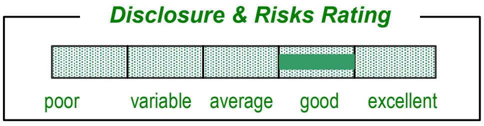
Table 8 – Financial Analysis and Sensitivities for Option 4 (Cash Basis)

	Lower	Base	Higher
Benefit Cost Ratio @ 7% Note 1	0.80	1.22	1.70
Breakeven Point (yrs)	14	14	14
Threshold analysis Note 2 – Hardwood Price OR Yield	>100%	>100%	>100%
Threshold analysis Note 2 – Pine Price OR Yield	>100%	>100%	>100%

*Note **1** Excluding any shares, options. Up front cash and before tax basis.*
*Note **2**: Threshold analysis is the % reduction in price or yield where break even occurs (i.e. when IRR =0%)*

The breakeven point for investors in Option 1, 2 and 3 based on our underlying assumptions coincides with the clearfall harvest of each. Investors in Option 4 are expected to breakeven in year 14 following the clearfall harvest of plantations from the Option 1 component of the offering.

8 Disclosure and Risks



8.1 Disclosure

FEA has a Compliance Committee in place for this Project which is the same as the one used for the company's previously released projects. The Compliance Committee meets quarterly and comprises three members including external members Ross Waining and Scott Dawkins and internal member Kerry Duncan.

Ross Waining is a retired professional forester who began working in the forestry industry in 1962 and was the former General Manager of Boral Timber Tasmania Ltd. His most recent Board experience includes Chairman of the Forest Practices Advisory Council, and Board member of the Tasmanian Forest Practices Board.

Scott Dawkins is a Chartered Accountant and has been practicing accountancy since 1976 and operating his own private practice since 1992. He is extensively experienced in public accounting and was previously Chairman of the Cultural Industries Council which contributes to State government industry strategies.

Kerry Duncan is a highly experienced corporate lawyer with more than fifteen years involvement in the investment funds management and financial services industry. Prior to his retirement in 2002, Kerry spent 20 years as a Partner at Minter Ellison, including eight years as State Chairman. In addition to his Compliance Committee role at FEA, Kerry is currently employed as a Consultant to the Director of Public Transport and is a Director of FEA Plantations Ltd.

8.2 Reporting to Investors

The RE has advised AAG that it will provide Annual Reports to investors each year during the term of the Project. These reports, which will include a statement compiled by the Independent Expert, will summarise the progress of the plantations and comment on the current and future market for the products that are likely to be harvested from the plantations. AAG has been provided examples of the Annual Reports provided to investors in past projects and were comfortable with the content and information provided in them.

In addition to the Annual Reports, FEA states that investors will be kept up to date with Project developments through such means as regular newsletters and access to its website.

8.3 Risks

8.3.1 Agricultural Risks

Agricultural risk refers to any physical risk that has the ability to impact on growth rates and ultimately yields at harvest time. Fire, drought, frost and wind are the main physical risks to plantation forestry projects such as this one. These risks, which are largely out of the control of the RE, are mitigated to some degree by the geographic diversification of the Project properties across Tasmania, Queensland and New South Wales and through appropriate site selection and management practices like the use of appropriate fire breaks.

It is evident that several years of dry conditions have significantly impacted on predicted growth rates for many plantations established in the past decade across southern Australia. There is a risk that extended periods of low and variable rainfall will impact on future growth rates of plantations included in this Project, impacting on predicted yields and returns to investors at harvest. FEA's regions have performed relatively well during recent drought conditions in 2005-2007, compared to other plantation regions across Australia. The stocking guarantee that FEA has in place for the Project is expected to reduce the establishment risk caused by any below average rainfall that may be experienced in the first 12 months after establishment (discussed in more detail in Section 2.2).

Like all forestry plantations, fire is considered a significant threat to the Project. The fact the Project properties will be dispersed across three states does reduce the risk of significant losses due to fire. FEA also maintains a fleet of fire tenders near its plantations in Tasmania and has several units in northern NSW.

Other agricultural risks to the Project include competition from weeds, and the impacts of pests, disease and nutrient deficiency. These risks can generally be controlled by the on-ground management team implementing best-practice management and FEA is highly experienced in this regard. In the NSW and Queensland regions weeds grow extremely well and if left uncontrolled can seriously damage the prospects of success for plantations.

8.3.2 Management Risks

Management risk includes those in relation to the loss of key advisers and management staff to the Project. Given the large pool of competent foresters that are currently employed by FEA, we believe the loss of key personnel to its operations would have minor consequences to investors in the Project.

Other management risks include the lack of continuity of key entities to the Project. As FEA is in a relatively strong financial position and is currently not reliant on any one third party entity for operational or marketing activities, this risk is currently minor.

8.3.3 External Risks

The predominant risk to plantation forestry projects is the failure to achieve the estimated price for the timber produced. As discussed previously, the price for timber produced from the Project will be largely influenced by the supply and demand of the products at the time of sale. Given the length of time between now and harvest, particularly for Option 2 and Option 3 investors (and as a result, those in Option 4), it is impossible to predict the dynamics of the timber resource which presents some risk to investors.

While not totally dependent on the development of processing options in NSW, returns from these plantations will certainly be improved if FEA establishes sawlog processing facilities in central locations.

It is likely that some of the timber produced from the Project (especially investors in Option 1) will be placed onto export markets. As such, adverse fluctuations in the currency rate will have the ability to make the timber products less competitive on the international market.

Although these risks remain largely out of the control of FEA, the company is well established and with its large scale of operations and long-term capacity, we believe it to be in a relatively strong position to negotiate a favourable price at the time of sale.

Other external risks to the Project include changes to government legislation and native title claims over the properties. Community risk is also a risk to the Project, especially in areas where negative community reaction to the MIS industry is strong.

9 Taxation

9.1 Is there a product ruling?

FEA has received a Product Ruling for each of the four options (PR 2008/31, PR 2008/32, PR 2008/33 and PR 2008/34 respectively) which outlines that 100% of the Application Fee is tax deductible in the initial year for those investors who enter the Project on or before 30 June 2008.

FEA anticipates that a Product Ruling will be issued in due course to those investors wishing to invest in the Project post 30 June 2008 that will confirm that the tax treatment of these investors will be identical to that of pre 1 July 2008 investors.

9.2 How does the product ruling system work?

A product ruling is a binding statement by the Australian Taxation Office (ATO) regarding deductions of fees available under the current Australian Taxation Laws for an investment in a particular project. If there are material changes made to the expenditure, timing and establishment of a particular project, then that particular product ruling ceases to have any effect.

The product ruling system provides certainty to potential investors in the MIS industry confirming the taxation benefits for a particular project, where the scheme manager complies with the commitments made.

10 AAG Opinion

The AAG use a model that has been developed in-house to rate Managed Investment Schemes. Numerous points of assessment are made to ensure the important aspects of a project and project manager are assessed on an even basis.

Ratings are out of five stars in quarter star increments.

The report should be read in its entirety and in conjunction with Part A – Corporate Governance Review (William Buck) and Part B – Track Record Review (AAG).

The opinion of AAG is outlined throughout the report and a summary is found on page 1.

11 AAG Profile and Contact Details

The Australian Agribusiness Group was formed in 1997 and provides expertise in research, investment management and agribusiness consulting nationally.

AAG is the leading provider of research into the Managed Investments Sector (MIS) in Australia. It's research is read by over 9,100 financial planners and is distributed by Standard and Poors.

AAG sources and manages investments in the Australian agribusiness sector on behalf of national and international clients.

AAG undertakes research reports, feasibility studies, consulting projects and assists in facilitating funding for private and public clients. It provides the management skills, expertise, staff and office support to develop, incubate and launch new agribusinesses.

AAG focuses on agribusiness and particularly the commercial aspects of this dynamic sector.

For more information about AAG, please visit our website at www.ausagrigroup.com.au.

Australian Agribusiness Group Financial Services Guide

We are required to give this FSG to retail clients under the requirements of our Australian Financial Services License. It is an important document and provides you with information about Australian Agribusiness Group (AAG) to help you decide whether to use the financial services that we provide. This FSG explains the services we can offer to you and the types of products we offer. It also explains how we are remunerated in relation to those services and includes information on our internal and external complaints handling procedures.

You may also receive other documents in relation to the financial products which we may provide advice on, from other parties.

A Statement of Advice (SOA) describes the type of advice being given, and must be provided where an adviser is giving personal advice. As detailed below, Beckmont does not provide personal advice and therefore will not provide an SOA.

A Product Disclosure Statement (PDS) is a document which contains information about a particular financial product which will assist you in making an informed decision about that product. However, as we do not issue, sell, or offer to issue or sell financial products, or give personal advice, we are not required to provide a PDS.

This FSG is dated 28 February 2006.

1. Who are we?

Beckmont Pty Ltd (ABN 50 056 592 708) (Beckmont) trading as Australian Agribusiness Group (AAG) is licensed under the Corporations Act to provide particular financial services to you on its own behalf. These may be provided to you by Beckmont representatives.

Beckmont's Australian Financial Services License number is 244307.

2. What financial services do we offer?

Beckmont can provide, for the purpose of preparing research reports in relation to primary production managed investment schemes, financial product advice for interests in primary production managed investment schemes (excluding investor directed portfolio services) to retail and wholesale clients.

Beckmont does not provide personal financial advice. As such our employees and representatives will not be taking into account your personal objectives, financial situation and needs. If you require personal financial product advice, please consult a financial planner.

3. How can you do business with us?

You can register for access to our research and information on primary production managed investment schemes via our website (www.ausagrigroup.com.au). Information is accessed via that site by a personal login name and password.

4. How are we remunerated for the services we provide?

Wholesale clients do not currently pay anything for access to our services.

Retail clients pay a maximum $69 for access to each project report.

5. What commissions, fees or other benefits are received?

Beckmont is paid a standard and fixed fee by project managers (i.e. the product providers of agribusiness managed investment schemes) of $25,300 for the first project for each project manager and then $13,200 per project thereafter for that project manager. Any associated travel, accommodation and reimbursements are additional to this charge.

Employees of Beckmont Pty Ltd do not receive particular payments or commissions in respect of the authorised services and are employed on a salary basis in respect of these services.

You may receive advice from financial planners and dealer groups to whom we provide research. These financial planners and dealer groups do not receive remuneration from us, nor we from them.

6. How do we safeguard your private information?

Your privacy is important to us. In general we may collect information about you to manage your access to our website. You can access our Privacy Policy at our website (www.ausagrigroup.com.au).

7. What should you do if you have a complaint?

Please contact our Compliance Officer on (03) 9602-6500.

Our staff will review the situation and if possible resolve it immediately. If the matter has not been resolved to your satisfaction, please contact the Managing Director by writing to:

The Managing Director
Australian Agribusiness Group
Level 7, 99 Queen St
Melbourne VIC 3000

If, after giving us the opportunity to resolve your complaint, you feel we have not resolved it satisfactorily, you may be able to lodge a complaint with:

Financial Industry Complaints Service (FICS)
PO Box 579, Collins St West
Melbourne VIC 8007
or call them on 1300 780 808

8. You can contact us by

- phone on (03) 9602-6500
- fax on (03) 9642-8824
- visiting www.ausagrigroup.com.au
- writing to us at Level 7, 99 Queen St
  Melbourne VIC 3000
- email on info@ausagrigroup.com.au

2007/08

AUSTRALIAN AGRIBUSINESS GROUP

FEA PLANTATIONS PROJECT 2008

Retail Investment Research – March 2008

Beckmont Pty Ltd trading as Australian Agribusiness Group A.B.N 50 056 592 708
Level 7, 99 Queen St, Melbourne, 3000 Australia **ph** +61 3 9602 6500 **fax** +61 3 9642 8824 **email** info@ausagrigroup.com.au