

FREQUENTLY ASKED QUESTIONS

Last Updated - 17 May 2009

GREAT SOUTHERN LIMITED ACN 052 046 536 (Administrators Appointed)
AND THE SUBSIDIARIES set out in the Schedule
(All Administrators Appointed)
(Collectively known as “the Group”)

INTRODUCTION

Due to the anticipated high number of enquiries, we have provided below some Frequently Asked Questions (“FAQ”) to assist you with certain queries that you may have regarding the Administration process.

These FAQs will be updated on a regular basis and we encourage you to refer to the websites maintained by the company or Ferrier Hodgson at www.great-southern.com.au or www.ferrierhodgson.com for any future updates.

This FAQ should be read in conjunction with either the:

1. Circular to Creditors dated 17 May 2009; and/or
2. Circular to Investors dated 17 May 2009; and/or
3. Circular to Employees dated 17 May 2009.

Notwithstanding the information contained in this report, we suggest that you seek independent advice on your particular individual circumstances.

This FAQ sheet provides information for a number of different stakeholders and is therefore set out under the following main headings:

- [Background](#)
- [Information on First Meetings of Creditors](#)
- [Questions Relating to Ordinary Shareholders](#)
- [Questions Relating to Investors](#)
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BACKGROUND

Who are Ferrier Hodgson?

Established in 1976, Ferrier Hodgson is South East Asia’s largest specialised corporate recovery and recovery firm. The Ferrier Hodgson Group has over 40 partners and 450 staff and offices in all major Australian capital cities, Hong Kong, Singapore, Malaysia, Indonesia, Philippines, India, China and Japan.

In addition, our affiliation with Kroll and Zolfo Cooper, leading independent specialists in corporate recovery, restructuring and turnaround in the US, UK and Europe, ensures Ferrier Hodgson can be on the ground seamlessly and quickly in all major international markets to combine global expertise with strong local knowledge.

What is Ferrier Hodgson's role in the Group?

Pursuant to Section 436A of the Corporations Act 2001 ("the Act") on 16 May 2009, Ferrier Hodgson partners Martin Jones, Andrew Saker, Darren Weaver, and James Stewart have been appointed Joint and Several Administrators of Great Southern Limited (ASX: GTP, formerly known as Great Southern Plantations Limited) and the subsidiaries set out in the attached schedule.

What is the Voluntary Administration ("VA") process?

The Voluntary Administration begins when an Administrator, who must be an independent and suitably qualified person (a registered liquidator), is appointed and takes full control of the company to consider options on how to save either the company or its business.

If it isn't possible to save the company or its business, the aim is to administer the affairs of the company in a way that results in better return to creditors than they would have received if the company had instead been placed straight into liquidation.

As a result of the appointment, a moratorium (with certain exceptions) is imposed upon creditors of the company, and on those persons who own property which the company is using, in order to provide the company with "breathing space" while the company's future is resolved.

Effect of the VA process

1. On Directors

The Act provides that effective from the acceptance of the appointment as Administrators, the powers of directors of the company are suspended and they may not perform any function as a director of the company without the Administrators' written approval and only the Administrators may deal with the company's property.

Accordingly the Administrators replace the Board of Directors and completely control the affairs of the company. In this regard, the Administrators will liaise with the directors on matters such as the delegation of authority to the Directors to continue the business, reporting on trading and other control issues.

2. On Creditors

The appointment of the Administrators substantially affects creditors' rights against the company as follows:

- (a) A creditor with a charge over the whole or substantially the whole of the company's property must enforce the charge within 13 business days of the appointment or be prevented from enforcing the charge during the remainder of the administration. Enforcement of a charge by a secured creditor usually practically commences with the appointment of a Receiver and Manager. If a Receiver and Manager is appointed, the Receiver and Manager generally takes control of the company's assets and business operations. We note that Receivers could be appointed to the Company and/or some of its subsidiaries;
- (b) Claims of unsecured creditors and chargees with a charge over part of the property of the company are stayed for the duration of the moratorium period;
- (c) The enforcement of guarantees given by directors or relatives of directors to creditors of the company is stayed during the administration; and
- (d) The Administrators have the power to retain and use property owned by third parties such as lessors but used by the company during the administration in the ordinary course of business provided he pays for the use of those goods such as leased assets, leased premises and the like.

The moratorium of creditors is provided under the Act in order that the Administrators and the directors may formulate a proposal for the company's future in an environment where the business may be continued.

Timing in the Administration

Following appointment, the Administrators must hold a meeting of creditors within 8 business days. Notice of the creditors' meetings must be provided to creditors at least 5 business days prior to the meeting. The first creditors' meeting is held to generally provide information to creditors and specifically to resolve whether:

- (a) The Administrators appointed should be replaced; and
- (b) A Committee of Creditors should be formed.

The second creditors' meeting must be held within 25 business days of appointment. Notice of the second creditors' meeting must be provided at least 5 business days prior to the meeting. The purpose of this meeting is to consider the contents of the Administrators' report which details any proposed Deed of Company Arrangement's ("DOCA") and preliminary analysis of investigations into the affairs of the company. The fate of the company is decided at the second creditors' meeting, and the creditors will be presented with the following options, namely, whether to:

- (a) Accept a proposed DOCA;
- (b) Place the company in Voluntary Liquidation;
- (c) Return control of the company to its directors; or

(d) The meeting may be adjourned for a period not to exceed 45 business days.

A DOCA is a restructuring plan which binds the company, its creditors and shareholders.

What are the next steps?

The Administrators have begun an urgent assessment of the Group affairs and will attend to the following immediate issues:

1. Communicate the appointment to all creditors, key stakeholders and regulatory authorities;
2. Undertake a complete review of the financial affairs of the Group;
3. Develop a plan to maximise the recoverable value for creditors and investors; and
4. Report to creditors and investors on our conclusions.

INFORMATION ON FIRST MEETING OF CREDITORS

What is the purpose of the first meeting of creditors?

The purpose of the first meeting of creditors is to:

- Consider the appointment of the Joint and Several Administrators; and
- determine whether to appoint a committee of creditors and if so, who are to be the committee's members.

A copy of the Notice of Meeting and related documents can be obtained from www.great-southern.com.au or www.ferrierhodgson.com. These documents include:

1. An informal proof of debt;
2. Proxy form;
3. Circular to creditors;
4. Declaration of independence, relevant relationships and indemnities; and
5. ASIC information sheet

What is an Informal Proof of Debt form?

An informal proof of debt is a prescribed form to be completed by creditors (including contingent creditors) at the Administrators' request, setting out the details of their claim against a company together with supporting documentation where appropriate.

Onus of proof

The burden of proof lies with the creditors or contingent creditors. If investors, creditors or contingent creditors have any queries in relation to their claim or their rights generally, we recommend that they seek independent advice.

What are proxies?

"Proxies" are instruments giving another person the right to exercise the voting powers of the grantor of the proxy, at a particular meeting and perhaps the adjournment thereof.

Corporations have the power to appoint an individual to act as their proxy representative at meetings of the company of whom they are a creditor or debenture holder. A proxy must be a natural person (not a corporation) and must be over the age of 18 years.

Do I have to lodge an Informal Proof of Debt form and Proxy Form?

In order to attend a meeting of creditors, all creditors (including investors) **are required** to complete an Informal Proof of Debt form.

If creditors wish to appoint a proxy to attend on their behalf, they should also complete the Proxy Form.

If you do not lodge the Form 535 – proof of debt form by 4.00pm on the day prior to the meeting, you may be excluded from voting at the meeting.

If you are not attending the meeting, either in person or by proxy, you do not have to lodge the informal proof of debt form by 4.00pm on the day prior to the meeting, however, you may still wish to complete it and lodge it with us so we have it for future reference.

Where do I lodge the forms?

Both forms should be lodged with this office before the meeting and, in any event, no later than **4.00pm on the day prior to the meeting**. Forms can be sent by facsimile on (08) 9214 1400 or scanned and emailed to gsl_creditors@perth.fh.com.au. However, Corporations Regulation 5.6.36A requires lodgement of the original of the Proxy form with the Administrators' office at Ferrier Hodgson, level 26 108 St Georges Terrace, Perth WA 6000 within 72 hours of lodging the faxed copy.

Where can I get a copy of the forms?

The informal proof of debt form and proxy form is available for download at www.great-southern.com.au or www.ferrierhodgson.com.

Alternatively, creditors can obtain a copy if a request is made:

- by email to gsl_creditors@perth.fh.com.au; or
- by speaking to a member of Ferrier Hodgson staff on the dedicated hotline (1800 258 348).

QUESTIONS RELATING TO ORDINARY SHAREHOLDERS

Are shareholders able to attend the creditors' meetings?

Generally, no. Ordinary Shareholders are not creditors and cannot attend the creditors' meetings, however they are invited to attend as an observer.

Are shareholders able to transfer their shares?

A transfer of shares in a company or alteration of status of shareholders during a voluntary administration will not be effective unless the voluntary administrator gives their written consent or the court permits.

QUESTIONS RELATING TO INVESTORS

What is GSL's role in relation to the managed investment schemes?

Two of GSL's subsidiaries, Great Southern Funds Management Ltd ("GSFML") and Great Southern Managers Australia Ltd ("GSMAL") are the responsible entities or trustees of registered managed investment schemes and in that role have responsibility for the operation and administration of the schemes. **GSFML has not been placed into voluntary administration and in this regard will continue to trade as normal. However, GSMAL is now under administration.**

Each scheme is governed by its own constitution or trust deed, and if a registered scheme, is also governed by Chapter 5C of the Act. On 16 May 2009, the board of directors of GSL appointed Martin Jones, Andrew Saker, Darren Weaver and James Stewart of Ferrier Hodgson as Joint and Several Administrators GSL. The Administrators now control the functions and operations of GSMAL subject to any decision to appoint Receivers and Managers by the secured creditors. GSMAL will continue to be the responsible entity for its registered managed investment schemes until it is replaced in accordance with the Corporations Act.

Should I continue to make payments relating to my project and/or my loan?

Yes. Grower investors are required to continue to make payments to both their loans and their project costs. Should any Grower Investors have any queries in relation to their rights and obligations, we recommend that they seek independent advice.

Am I required to continue to meet my loan repayments if GSL is in voluntary administration?

Yes. You are required to meet your obligations as set out in your loan agreements. Failure to make scheduled principal and/or interest payments may result in a default under the loan agreement. If you have any queries in relation to your loan agreements or your rights generally, we recommend that you seek independent advice.

What measures are currently being undertaken to protect the interests of growers in respect of the ongoing management and maintenance of the horticulture and forestry projects?

1. A review of each project is being undertaken;
2. A determination will be made as to the funding requirements (which will be communicated to growers); and
3. The Administrators are investigating the avenues to provide funding.

When does Ferrier Hodgson plan to issue its strategy on each individual project?

We will address the strategy for each project once we have reviewed the financial forecasts for each project, the outcome of which will be communicated to investors.

Are growers creditors? If so are they secured or unsecured creditors?

Under the Managed Investment Scheme's ("MIS") growers are owed certain obligations which may have not been met in the past, or may not be met in the future. In these circumstances the grower may be entitled to claim as a unsecured creditor of the Group. However, as the claims are likely to be of an indeterminate nature, and as such, the claim will be known as a contingent claim.

Where the grower's claim is a contingent claim, it is likely that we will allow you to participate and vote at the meetings of creditors, however as the claim will be difficult, if not impossible, to value at the present time, it is likely that we will mark your claim as "objected to" and allow it to vote for a nominal amount of one dollar (\$1).

Will meetings of Grower Investors be held for each scheme?

Meetings of Grower Investors will be considered in light of our review of each project. Grower investors will be provided with notice of any such specific meetings to enable them to attend.

What will happen to grower investors that have borrowed through GSL to fund their investments in the projects if projects are terminated?

Grower investors are required to continue to make payments to both their loans and their project costs.

We recommend that growers obtain independent advice.

What is the current status of insurance for the projects?

We are undertaking a review of the insurance policies and to ensure that appropriate cover is in place.

Are the trees planted for the 2008 plantations project and the 2008 HVT Project and if not what will happen?

We understand that the establishment services for the 2008 HVT project have been completed. In regards to the 2008 Plantations Project, whilst establishment services have commenced not all planting has yet been completed. A review of each project's status and implications will be made as a matter of priority and further details provided to all relevant investors as soon as practicable.

Is the money already received from 1998 and 1999 plantations projects from harvesting protected to the benefit of Growers? What happens in this circumstance?

Monies from harvest proceeds on these projects are held in separate trust accounts for the benefit of project investors.

What happens to the applications already lodged for the HVT project this financial year?

No agreements have been executed in respect of any applications received in the current financial year and accordingly those applications will become null and void and relevant investors informed accordingly.

MORE INFORMATION

For further information concerning the Voluntary Administration process and Ferrier Hodgson, you may wish to visit our website at www.ferrierhodgson.com.

Updates will also be posted on the Group's website at www.great-southern.com.au.

You may also wish to consider the IPAA's website www.ipaa.com.au, which contains the IPAA's Statements of Best Practice, applicable to IPA members and/or the website www.asic.gov.au for information sheets on the following topics:

- Insolvency: a glossary of terms
- Voluntary administration: a guide for creditors
- Voluntary administration: a guide for employees
- Liquidation: a guide for creditors
- Liquidation: a guide for employees
- Receivership: a guide for creditors
- Receivership: a guide for employees
- Insolvency: a guide for shareholders
- Insolvency: a guide for directors
- Independence of external administrators: a guide for creditors
- Approving fees: a guide for creditors.

Investors, creditors and shareholders are encouraged to ring the dedicated hotline (1800 258 348) if they have any queries in relation to this process.

Alternatively, specific queries can be directed to the following emails:

- Creditors/General: gsl_creditors@perth.fh.com.au
- Investors: gsl_investors@perth.fh.com.au
- Shareholders: gsl_shareholders@perth.fh.com.au

THE SCHEDULE

Company	ACN	Company	ACN
Great Southern Managers Australia Limited	083 825 405	Beagle Management Pty Ltd	009 280 791
Great Southern Land Holdings Pty Ltd	087 074 093	Great Southern Pine Pty Ltd	087 353 820
Great Southern Vineyard Holdings Pty Ltd	107 020 191	Great Southern Securities Pty Limited	009 283 621
Great Southern Olive Holdings Pty Ltd	111 092 374	Hampton Securities Australia Pty Limited	062 193 597
Great Southern Olives Company Limited	121 381 208	Sylvatech Limited	073 019 093
Great Southern Cattle Holdings Pty Ltd	113 922 642	Sylvatech Securities Limited	100 797 475
Great Southern Almond Holdings Pty Ltd	122 130 652	Great Southern Forestry NT Pty Ltd	084 646 435
Great Southern HVT Holdings Pty Ltd	123 433 778	Sylvatech Finance Pty Ltd	112 280 609
Great Southern Managers Pty Limited	058 213 791	Pensyl Pty Ltd	108 588 389
Great Southern Finance Pty Ltd	009 235 143	Pensyl Constructions Pty Ltd	107 516 012
Great Southern Timber Pty Ltd	009 432 955	Great Southern Infrastructure Pty Ltd	126 069 314
Great Southern Property Managers Limited	108 409 641	Great Southern Plantations Pty Ltd	121 566 649
Great Southern Export Company Pty Ltd	113 408 549	Great Southern Olive Processing Pty Ltd	128 547 437
Great Southern Property Holdings Limited	121 245 047	Great Southern Timber Holdings Pty Ltd	128 160 145
GSPT Debenture Holdings Pty Ltd	121 220 273	Great Southern Plantations Holdings Pty Ltd	132 912 184
Great Southern Cattle Managers Pty Ltd	113 922 660	Great Southern Olives Land (No 1) Pty Ltd	121 381 208
B. M. Pty Limited	009 362 350	Main Camp Enterprises Pty Ltd	134 260 889
Beagle Holdings Pty Ltd	009 280 782		