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STRONG INTEREST IN GREAT SOUTHERN PULPWOOD TIMBER ASSETS

The Receivers and Managers of Great Southern are pleased to confirm that the Expressions of Interest process has resulted in strong interest in the group's pulpwood timber schemes (Great Southern Plantations 1998 to 2008 and related assets).

"There has been intense interest in Great Southern's pulpwood timber schemes from a diverse range of local and overseas parties," Tony McGrath of McGrathNicol said today.

"We have been encouraged by the robust competition for these assets and are obviously pleased that this response will provide investors in these schemes with a range of options to consider in the near future," Mr McGrath said.

The expressions of interest received cover various options for the responsible entity roles of the pulpwood schemes and their assets. The Receivers will be working closely with interested parties to finalise the details of their offers before providing investors with a recommended option within the coming weeks.

Investors are encouraged to wait until they have all information about the various offers before making any decision regarding their investment.

The Receivers have also been seeking expressions of interest in the horticulture, softwoods and High Value Timber schemes.

"As anticipated, there has been limited interest in the responsible entity role for most of Great Southern's horticultural schemes," Mr McGrath said.

"The limited proposals received for these schemes are largely underdeveloped. We will be working with those parties but we anticipate that many of these discussions will not provide a solution for growers.

"These horticultural schemes clearly face extraordinary challenges.

"Unfortunately, without a solvent responsible entity and funds to meet operational and maintenance expenditure, most of these schemes are highly unlikely to be able to continue operating," Mr McGrath said.

Collectively, the horticultural schemes require in excess of \$30 million in expenditure over the next 12 months alone (and as much as \$200 million over their expected lifespan) to keep them going. As such, the likely outcome will be the winding up of the majority of the horticultural schemes.

The Receivers had previously informed investors that funding for the schemes would cease on 30 September 2009. They have now secured limited funding, to allow the process to go forward.

In the coming weeks the Receivers and Managers will continue to liaise with the Growers' Consultative Committee and ASIC, regarding the replacement RE and sales process.

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