

Update to shareholders December 2017

Dear Forestlands Shareholder,

We are writing to update you on progress since the October 2017 update. We appreciate that it has been a difficult period for you and that a number of you have been asking for further information about your investments. We apologise for the delay in communication with you, however the timing of this process is not all in our control.

As you know, the Director has engaged third party experts with a view towards advising on distributions. Independent valuations of the forest and land assets have been obtained. These valuations support the sale price of \$23.5m achieved for the forests. The companies' accountants are now working to finalise the statutory financial accounts, having regard to the valuations referred to above.

We confirm that \$18m is held on trust by Anthony Harper, on interest bearing terms.

KordaMentha is working on a distribution framework for the funds held on trust by Anthony Harper. It is envisaged that the distribution framework will be presented to the FMA in January, as the funds are held subject to an undertaking that they will not be disbursed without approval of the FMA, or order of the Court. Completion of the statutory financial accounts will continue in parallel to the FMA process, but these factors may necessitate a delay in the payment of any distributions.

A number of you have contacted Anthony Harper and KordaMentha with queries regarding your shareholding and the distribution process. Anthony Harper and KordaMentha do not have authority to provide information beyond what is set out in this update. We therefore ask that you monitor this website for further updates.

A number of you have also inquired about shareholder fees that have been paid in advance. We assure you that there is a record of shareholders that paid shareholder fees in advance.

Thank you for your continued patience as we work through this process.

We appreciate it has been a frustrating wait, however it is a process that we are working through as efficiently as possible.

Kind regards

Forestlands