

22 June 2018

Dear Grower

IMPORTANT NOTICE TO TFS 2003 GROWERS

A meeting of the 2003 Project has been called by two Growers for 23 July 2018. At this meeting the Sandalwood Growers Co-Op (“SGC”) is seeking to remove Quintis as the responsible entity (“RE”) and is seeking to take over the role of managing your plantations.

Quintis strongly advises you to vote against all three resolutions as we believe Quintis is best placed to manage your investment:

1. Growers and creditors have approved Quintis’ financial restructure which will result in a cash injection of A\$125m - A\$175m. This restructure puts Quintis in a very strong financial position and fully-funded to maintain, harvest and sell your trees;
2. The restructure preserves the terms of your MIS investment. Your rights (and those of all MIS growers) will be fully protected;
3. Quintis will emerge from administration with the clear aim of addressing many of the issues from its past, including establishing a more proactive and open dialogue with MIS growers;
4. Quintis’ expert forestry team (approximately 80 permanent staff plus contractors) will continue to manage your trees and is focussed on maximising the yield from your trees;
5. The harvest of your trees is imminent and Quintis has invested significantly in a dedicated harvest team and specialised harvest equipment to maximise the return on your investment; and
6. Quintis controls the land, infrastructure and irrigation for your trees.

IMPLICATIONS

If you sign a proxy form for the SGC then you are voting against Quintis. This means that you are voting for your trees to be managed, harvested and sold by the SGC. This will have potentially disastrous implications for your investment:

1. The SGC has no forestry or harvesting team and no specialised harvesting equipment. If you vote for the SGC, it means your trees will be harvested by contractors who have never before harvested a Quintis sandalwood plantation;
2. The SGC has no access to surrounding land, infrastructure or irrigation. Without access to that critical infrastructure, the SGC cannot guarantee your trees will be adequately watered. Under SGC control, maintenance and harvest costs will most certainly be higher;
3. Despite numerous requests, the SGC refuses to disclose how it will fund the management and harvesting of your trees. If you vote for the SGC, you should be prepared to pay for the funding it requires to fulfil its forestry, harvesting and sales obligations. The SGC says as much on its website;

THE OLD SWAN BREWERY
LEVEL 2, 171-173 MOUNTS BAY ROAD, PERTH WA 6000
PO BOX 3040, BROADWAY, NEDLANDS, WA 6009
T +618 9215 3000 F +618 9215 3090
INFO@QUINTIS.COM.AU QUINTIS.COM.AU

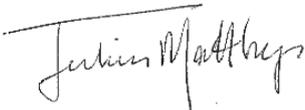
QUINTIS LTD	ABN 97 092 200 854
QUINTIS FORESTRY LTD	ABN 83 080 139 966
QUINTIS LEASING PTY LTD	ABN 84 080 978 721
QUINTIS PRODUCTS PTY LTD	ABN 85 103 368 707
SANDALWOOD PROPERTIES LTD	ABN 31 093 330 977

4. The SGC has consistently made misleading and incorrect claims about the future of Quintis and the impact of the administration on your investment:
- The restructure approved by growers and creditors will see Quintis emerge in a very strong financial position (contrary to prior claims of SGC directors);
 - MIS grower's investments and rights have been preserved and protected during the administration process (contrary to prior claims of SGC directors);
 - The Federal Court of Australia agreed with the Receivers that the SGC could not act as manager for the 2003 scheme as they proposed in March – In fact the Court ordered the SGC pay Quintis' costs in those proceedings on the basis that the SGC's submissions were based on its own self-interests;
 - The SGC has assumed control of a limited number of grower wood lots; for the first three months of SGC management no work was performed on those plantations and as a result those plantations face a significant risk;
5. At the second creditors' meeting held on 8 June 2018, the SGC's representative voted against the proposed restructure of Quintis. The SGC, which purports to act in the best interests of MIS growers, cast the only vote for Quintis to be put into liquidation. This would not have been in the best interests of MIS growers as it would have resulted in an outcome for MIS growers similar to that of Great Southern and Timbercorp.

Quintis is on the verge of emerging from external administration as a fully-funded and revitalised company. This new company will preserve your rights and entitlements while seeking to improve the way it conducts business and communicates with you. As a result, Quintis strongly believes it is best placed to manage your investment and we hope you will continue to place your faith in Quintis to maximise the value of your trees.

Yours sincerely

Kind regards



Julius Matthys
CEO