

26 November 2018

Dear Grower

We are writing to update you following meetings of growers for the TFS Sandalwood Project 2003 ("TFS 2003"), TFS Sandalwood Project 2004 ("TFS 2004"), TFS Premium Sandalwood Project 2004 ("Premium 2004") and the TFS Sandalwood Project 2005 ("TFS 2005").

TFS 2003 PROJECT

The TFS 2003 meeting was initially held on the 12th of November 2018 then adjourned to 1pm on the 19th of November 2018. The meeting was not declared open at any stage on the 19th of November 2018 and we therefore consider that the meeting lapsed. Subsequently, an invalid meeting was held on the 23rd of November 2018 with Mr Teague Czislowski of the Sandalwood Growers Co-op ("SGC") as the purported Interim Chairman. SPL attended the meeting and we noted our objections, although they were disregarded. Huntley Management Ltd ("Huntley"), as proposed new Responsible Entity, was not in attendance.

The Interim Chairman and the purported Chairman of the meetings (Mr Ron Eacott) wrongly excluded votes cast by Quintis Forestry Ltd ("QFL") and Sandalwood Properties Ltd ("SPL") on procedural resolutions at the meetings. QFL and SPL are significant growers in their own right and as a trustee for an institutional investor respectively.

TFS 2004, PREMIUM 2004 AND TFS 2005 PROJECTS

Meetings were held for the TFS 2004, Premium 2004 and TFS 2005 Projects on the 19th of November 2018. The Interim Chairman (being Mr Teague Czislowski of the SGC) and the purported Chairman of the meetings (being Mr Graeme Scott for TFS 2004 and Premium 2004 and Mr Frank Wilson for TFS 2005) wrongly excluded votes cast by QFL and SPL on procedural resolutions at the meetings. QFL and SPL are significant growers in their own right and as a trustee for an institutional investor respectively. Huntley, as proposed new Responsible Entity, was not in attendance.

EXCLUSION OF QUINTIS FORESTRY AND SANDALWOOD PROPERTIES VOTES

The incorrect exclusion of the votes of both SPL and QFL for various procedural resolutions was recently considered by Justice Colvin in the Federal Court of Australia, following the TFS 2003 meeting held on 23 July 2018. The effect of Justice Colvin's decision was that the votes of SPL and QFL were wrongly excluded from the procedural resolutions at that meeting. It is unfortunate that the Judge's determination appears to have been ignored by the SGC's four different Chairmen during the meetings. As a result, SPL intends to commence further court proceedings. As with the previous court proceeding, SPL's legal costs of this new court proceeding will not be paid from relevant Scheme assets. However, SPL will seek to recover those costs from any defendant who unsuccessfully opposes the proceeding.

ADDITIONAL CONSIDERATIONS

In addition to the above, SPL has sought further clarity from Huntley and SGC in relation to the licence conditions placed by ASIC. SPL believes growers in each Project have not been provided with the information necessary to enable them to make an informed decision on the proposed appointment of Huntley as the Responsible Entity, in particular about how Huntley can perform as Responsible Entity given the limitations that have been imposed by ASIC on the involvement of Mr Frank Wilson. SPL requested Huntley and the SGC provide updated and complete information to all growers prior to the meetings held on the 19th of November. To date, neither Huntley nor SGC has provided any of the requested information to SPL or growers.

Until these matters are resolved, SPL will remain the Responsible Entity for the TFS 2003, TFS 2004, Premium 2004 and TFS 2005 projects and continue to look after the interests of all growers, together with Quintis' expert forestry team and infrastructure, which are backed by the A\$145 million of cash funding provided by Quintis' new owners.

We continue to be disappointed by the conduct of the SGC, especially in their continued failure to treat all growers equally. SPL will continue to ensure that the interests of all growers are protected and will continue to challenge any vote or meeting that does not accord with the standards required by the Corporations Act.

We will keep you updated on the developments regarding your investment and if you have any questions we strongly encourage you to contact us on (08) 9215 3000 or info@quintis.com.au.