



## Update to TFS Sandalwood Project 2007 Growers: December 2018 Kununurra Wind Storm Event

This update is in relation to a minor windstorm event which occurred to parts of the Ivanhoe and Voyagers plantations in Kununurra, Western Australia in December 2018.

Quintis engaged an independent assessor to conduct a full assessment of the affected area. The assessment has revealed minor damage to parts of the plantations owned by growers in the TFS Sandalwood Project 2007 ("TFS 2007").

Although damage sustained to individual Sandalwood Lots in the Project varied from 0% up to 4.17%, the average loss across the Project was assessed as being less than 1% (approximately 0.66%). The plantation was also assessed by Quintis forestry management and it was determined that rehabilitation works could be undertaken in relation to damaged trees. This rehabilitation work was subsequently carried out on damaged trees in the Plantation (i.e. both insured and uninsured Sandalwood Lots) at Quintis' expense.

While the damage to the Project is immaterial, an insurance claim was made on behalf of growers who had an active insurance policy in place as at the date of the event. Not all insured growers will receive a payment as their insurance claim did not exceed the deductible due to the minor damage to their Lots.

Insurance payments have now been calculated by the independent assessor and, subject to clause 22.4 of the Lease and Management Agreement, will be paid on the basis of actual damage to relevant Growers' Sandalwood Lots. For the avoidance of doubt, we advise that Growers who did not hold insurance for their Sandalwood Lots at the relevant time will not receive any payment referable to any damage caused to their Sandalwood Lots by this wind damage event.

If you have any questions regarding this update, please don't hesitate to contact our office on 08 6458 4700.