
Plantation Assessment of Recoverability Summary

24th August 2010

Dear Growers,

Enclosed is an update on AMA Teak Pty Ltd's ("AMAT") assessment of the plantation conditions for both the 2007 HVT and 2008 HVT Schemes.

In the letter dated 25th June 2010 AMAT summarised it's assessment of the recoverable areas in the Mahogany and Teak plantations.

Since then AMAT has conducted a detailed survey of the Northern Territory African mahogany plantations, these plantations have been mapped by GPS and are being incorporated into detailed maps. The data derived from this exercise is statistically robust and as a result AMAT will be performing remedial works on the areas that have been deemed to be recoverable (see table below).

African Mahogany Recoverability Assessment

MIS Scheme	Area	Total Recoverable Area	Area Not Recoverable
HVT 2007	997	950	47
HVT 2008	1,643	1,350	293
Total	2,640	2,300	340

AMAT's assessment of the Far North Queensland Teak plantations is more preliminary at this stage. An initial silvicultural assessment of the general wellbeing and ability of the areas to be managed has been performed. The next stage will be to finalise the teak area statements via GPS mapping, then undertake a robust assessment of the survival rates and then develop corresponding plantation management strategies which may include changes to the remedial works and silviculture in order to achieve the best result.

The teak figures tabulate below have been based upon the Independent Forester Report submitted by Ray Fremlin. It is important to note that adjustments have been made to the allocation of total planted hectares in the HVT 2007 & HVT 2008 Schemes and the corresponding recoverable areas.

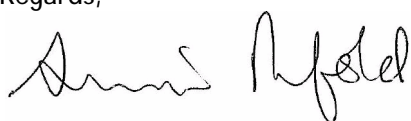
The total recoverable area of the combined HVT 2007 & HVT 2008 plantations has not been adjusted. This has been done as a result of more accurate information relating to the assignment of properties to the 2007 and 2008 HVT Schemes becoming available (namely properties that have originally been reported as being solely 2007 HVT plantations actually being a combination of HVT 2007 & 2008 plantations). This is a preliminary assessment based on the information currently available.

Once AMAT has completed it's assessment of the teak plantations it will be able to communicate a more definitive assessment to Growers.

Teak Recoverability Assessment

MIS Scheme	Area	Good Condition	Recoverable Condition	Poor Condition	Total Recoverable Area	Area Not Recoverable
HVT 2007	961	237	43	373	652	308
HVT 2008	1,614	148	475	301	923	691
Total	2,575	384	518	673	1,576	999

Regards,



Simon Penfold

Director
AMAT