

3 July 2009

The Manager
Company Announcements Platform
Australian Stock Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

RE: ASIC investigation – project investments

Recent media reports regarding ASIC investigations involving some investments placed on behalf of a small number of individuals by an independent Australian Financial Services Licence (AFSL) holder have contained significant errors of fact. FEA had no involvement in regard to the preparation of these media reports.

FEA has agreed with ASIC that the Company will not comment to the media, but will refer enquiries to the ASIC Media Unit on 1300 208 215.

Nonetheless, we understand that some stakeholders, (in particular the financial planning industry) are concerned by the recent media reports and we, therefore, offer the following:

- Neither FEA, nor its subsidiaries, employees or contractors are under investigation, nor do we believe they will be under investigation, for any wrong doing;
- The current investigation was instigated by FEA when we became aware of irregularities with a small number of investments made in FEA Plantations Project 2008;
- The investments were made during June 2008 and the applications were submitted by an AFSL holder;
- ASIC will advise of progress in the matter when appropriate.

The quantum of investments involved amount to approximately \$1.7 million. This amount has been appropriately identified to FEA's auditors in the preparation of the December 2008 financial statements.

FEA has a strong 24 year history in the forest and forest products industry, with 17 years experience in successfully offering managed forestry investments. It is dedicated to the integrity of the financial planning industry and is cooperating fully with ASIC during its investigation.

FEA unless requested by regulators will make no further public comment in relation to this matter while the investigation continues.

Andrew White
Chief Executive Officer
(03) 6334 7811 or 0418 131 179