



BOUNDARY BEND LIMITED

Australia's premier olive company

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Open letter of explanation to all Timbercorp MIS Olive Growers and Advisors

RE: BBL Capital raising and Growers Entitlements

This letter is for information purposes only and requires no action from growers or advisors.

Background

1. Boundary Bend Limited (**BBL**) has signed contracts to purchase the Boort Estate and Boundary Bend Estate olive groves and associated assets (the **Assets**) for \$59.5m.
2. BBL's bid for the Assets is fully funded through committed capital resources. As part of this funding BBL has an option to sell the permanent water entitlements and lease it back under long term lease agreements.
3. BBL plans to raise between \$20m and \$40m via a prospectus, predominately to fund the future grove operating costs (note: BBL will not receive any cash from the 2010 crop until September 2010).
4. Growers in Timbercorp Olive Managed Investment Schemes (MIS) will be given an opportunity to participate in 100% of the BBL equity being raised. See **Appendix 1** for contractual obligations.
5. After completion BBL will be a fully integrated olive oil business, comprising the following:
 - a. Boundary Bend olive grove
 - b. Boort olive grove
 - c. Processing facilities at Boort and Boundary Bend
 - d. 10ha commercial freehold site at Lara near Geelong with 19,000 m² of shedding which houses BBL's bottling and packaging plant, nursery, 1.8m litres of oil storage and head office
 - e. Harvesting equipment
 - f. 1,500ha land in Argentina - suitable for planting olives
 - g. Existing sales and marketing value add business
 - h. Cobram Estate brand (Australia's number 1 brand by volume and value).
6. This opportunity will not affect growers' rights to the 2009 net crop proceeds.
7. BBL entering into a transaction to purchase the olive assets and make an offer to growers is independent to any rights that MIS growers may or may not have regarding their existing MIS investment.

Equity Raising

1. Subject to unforeseen delays, the equity raising is expected to be completed prior to Christmas.
2. BBL road show will be held in all major capital cities (Melbourne, Sydney, Brisbane, Perth and Adelaide), [and potentially other major regional cities].
3. All growers, as at 23 April 2009, will be offered a guaranteed priority entitlement.
4. Under the terms of the prospectus individual Growers will be offered the right to subscribe for all the equity being raised by BBL which must be at least **\$20m** in BBL ordinary shares.
5. The Grower entitlement calculation in the prospectus will be based on the Net Operating Cashflow of each project (i.e. Growers who have put in more cash will be given a larger entitlement).
6. Based on a capital raising of \$30m, the proposed Grower entitlement calculation can be summarised as follows (see **Appendix 2** for full details of the calculation):

Olive Project	Entitlement per Lot (\$)¹	# Lots²	Amount raised if fully subscribed (\$)
2000 Private Offer	1,865	1,448	2,700,000
2001	1,738	3,919	6,810,000
2002	1,668	1,870	3,120,000
2002 (Post June)	1,506	717	1,080,000
2003	1,728	2,153	3,720,000
2003 (Post June)	1,543	350	540,000
2004	1,493	623	930,000
2006	1,127	2,795	3,150,000
2007	922	2,440	2,250,000
2007 (Post June)	860	558	480,000
2008	743	7,028	5,220,000
Total		23,901	30,000,000

7. Growers have **NO** obligation to participate in the equity offer that will be made to them by BBL.
8. Each grower will have an individual entitlement
9. Growers who do not subscribe for their individual entitlement will not get any shares in BBL.
10. Growers will be able to apply for more than their entitlement.
11. Should a Grower not take up their entitlements, BBL has the right to offer those entitlements to; another Grower, an existing BBL shareholder or a new investor.
12. BBL directors have not yet resolved the final issue price for BBL shares. The BBL board will price the issue in such a way as to reasonably expect all equity issued will be taken up.

¹ Based on a notional capital raising of approximately \$30m

² 1 Lot = 0.25 hectares

13. The prospectus will contain full details of the offer including BBL's 2009 P & L and Balance Sheet and BBL's 2010 forecast P&L. BBL currently has 35,214,850 shares on issue and approximately 90 shareholders.
14. BBL is currently a unlisted public company. The board has no immediate plans to list on the ASX although the board will continually assess the situation and shareholder feedback post completion and will consider listing on the ASX at an appropriate time.
15. BBL will comprise over 6,000 hectares of world class olive groves, experienced grove management teams, processing plants, a nursery, bottling lines and an experienced sales and marketing team capable of selling large quantities of premium olive oil into the domestic and export markets.

Indicative timetable

1. Prospectus to be issued by [late November]
2. Roadshows in [first 2 weeks December]
3. Capital raising closes on [18 December]

Next Steps

We will be in contact with you again soon. Currently there is no further material information about the capital raising or process that can be expanded on. As relevant information comes to hand BBL will keep the growers informed. Please be patient as there is an enormous amount of work to be done in a short period of time.

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APPENDIX 1

BBL's legal commitment as part of the asset purchase agreements

Clause 3.9: Offer of BBL Shares

- (a) BBL covenants in favour of RE and Olivecorp Management that:
 - (i) it will make the BBL Prospectus available to Participating Growers within 3 months of Completion;
 - (ii) the terms of the BBL Prospectus will allow each Participating Grower a Priority Allocation to subscribe for ordinary shares in BBL on the terms contained in the BBL Prospectus;
 - (iii) if less than \$12.5 million is raised under the BBL Prospectus, BBL will reissue a supplementary or new prospectus within 3 months of the closing date of the BBL Prospectus on similar terms and conditions to the BBL Prospectus, including but not limited to:
 - (A) offering each Participating Grower a Priority Allocation to subscribe for ordinary shares in BBL;
 - (B) at an issue price that is reasonably expected by the BBL directors to achieve aggregate subscriptions of no less than \$12.5 million.
- (b) RE and Olivecorp Management hold the benefit of this clause on trust for each Participating Grower.

Definition

BBL Prospectus means a prospectus for an equity raising of not less than \$20 million lodged with the Australian Securities and Investments Commission under Part 6D.2 of the Corporations Act under which BBL offers for subscription ordinary shares in BBL.

APPENDIX 2

BBL capital raising - example grower allocation methodology

BBL equity raising allocation: **30,000,000** (actual amount to be raised is still to be finalised but likely to be between \$20m and \$40m)

Olive Project	Net Operating Cashflows by project \$	% of total equity raising	Lots (1/4 ha) #	Allocation per Project \$	Allocation per Lot \$
200 Private Offer	24,060,883	9.0%	1,448	2,700,000	1,865
2001	60,872,232	22.7%	3,919	6,810,000	1,738
2002	28,017,343	10.4%	1,870	3,120,000	1,668
2002 (Post June)	9,603,080	3.6%	717	1,080,000	1,506
2003	33,146,847	12.4%	2,153	3,720,000	1,728
2003 (Post June)	4,777,569	1.8%	350	540,000	1,543
2004	8,277,208	3.1%	623	930,000	1,493
2006	28,115,936	10.5%	2,795	3,150,000	1,127
2007	20,175,098	7.5%	2,440	2,250,000	922
2007 (Post June)	4,374,001	1.6%	558	480,000	860
2008	46,959,831	17.4%	7,028	5,220,000	743
Total	268,380,028	100.0%	23,901	30,000,000	

Notes

1. The Net Operating Cashflow is from the net contributions data, by scheme, as disclosed in the affidavit, [dated], by Mark Korda on scheme solvency
2. The number of Lots is a representation of Lots sold
3. Where applicable, Net Operating Cashflow is net of JV obligations (i.e. 2000 – 2002)
4. The above does not take into account default (either finance or mgmt costs)
5. The Net Operating Cashflow amounts are exclusive of GST
6. The Net Operating Cashflows are grower cashflows (i.e. what has physical been distributed by Timbercorp)