

Hamilton Securities Limited
ACN 138 270 201

10 Murray Street
Hamilton NSW 2303
PO Box 413
Hamilton NSW 2303

Telephone +61 2 4920 2877
Facsimile +61 2 4920 2877

3rd October 2014

The Manager
Company Announcements Office
NSX
Level 2, 117 Scott Street
Newcastle NSW 2300

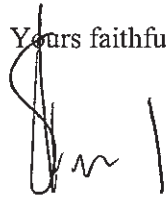
Dear Sir/Madam,

Hamilton Securities Limited (NSX: HSE)
RE: Timbercorp Orchard Trust Debenture Update

Please find attached a copy of a letter received from The Trust Company (Nominees) Limited as Trustee for the Debenture Holders.

The letter provides an update to debenture holders with regard to debenture holders' security and recent developments.

Yours faithfully



Steven Pritchard
Director



1 October 2014

Dear Debenture Holder

ALIGN FUNDS MANAGEMENT LTD (formerly known as Orchard Investments Management Limited) in its capacity as the responsible entity of the TIMBERCORP ORCHARD TRUST (Receivers and Managers Appointed) (“TOT RE”)

We refer to our last update to debenture holders dated 14 August 2014.

As previously reported by the Trustee, the Receiver has been resolving a number of outstanding taxation issues. The Receiver has informed the Trustee that the taxation issues are complex due to the structure of the Timbercorp Orchard Trust and its activities, and formal advice on the Trust's tax position is currently being obtained by the Receiver. The Receiver has informed the Trustee that he expects to receive the advice shortly and will then consider it promptly. In the meantime the Receiver continues to hold the Funds in interest bearing accounts.

The Trustee reported in its last update that it expected to make a distribution in September 2014. Due to the additional time required by the Receiver to finalise the outstanding taxation issues, the Trustee now expects to make a first and final distribution to debenture holders in October 2014. The precise date will depend on the finalisation by the Receiver of his deliberations on the taxation issue. A further update regarding the distribution and the final amount of the return to debenture holders will be posted as soon as the Trustee knows the precise date for the distribution.

A final accounting, which will include a detailed breakdown of all costs and expenses deducted from the Funds, will be made available to debenture holders at the time of the final distribution.

Yours faithfully

RUPERT SMOKER

HEAD OF CORPORATE AND DEBT CAPITAL MARKETS TRUSTEE SERVICES