

Hamilton Securities Limited
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28th October 2014

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

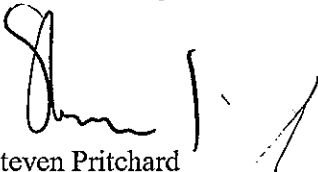
Dear Sir/Madam,

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

27 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 1 October 2014.

As previously reported by the Trustee, the Receiver has been resolving a number of outstanding taxation issues and has since obtained formal advice on the Trust's tax position.

As foreshadowed, and in accordance with the deeds of compromise executed in respect of the Kangara and Bella Vista Rights Proceedings, the Receiver has paid the balance of the Funds to the Trustee following deduction of the Receiver's remaining unpaid remuneration and expenses.

Following receipt of the balance of the Funds and in accordance with clause 10(a) of the Trust Deed, the Trustee has deducted its own costs, charges, expenses and remuneration. As such, the Trustee is now in a position to effect a final distribution to debenture holders and has transferred funds today to Computershare to enable that to occur.

Each debenture holder should receive shortly:

- a covering letter;
- a schedule setting out the calculation of the return to debenture holders, including details of deductions made from the proceeds of the realisation of the Scheme Assets prior to the final distribution; and
- a final distribution payment remittance (attaching a non-negotiable cheque).

This distribution represents a return of approximately **\$40.20** per Outstanding Debenture (being a return of approximately **40 cents** in the dollar). You will note that this amount is higher than the estimated return of \$37.92 per Outstanding Debenture (being a return of approximately 38 cents in the dollar) previously communicated to debenture holders on 6 February 2014.

Yours faithfully



RUPERT SMOKER

HEAD OF CORPORATE AND DEBT CAPITAL MARKETS TRUSTEE SERVICES