

**GREAT SOUTHERN LIMITED ACN 052 046 536
AND
GREAT SOUTHERN MANAGERS AUSTRALIA LIMITED ACN 083 825 405
(Both Receivers and Managers Appointed)(Both Administrators Appointed)**

**FIRST MEETING OF THE APPOINTED COMMITTEE OF CREDITORS
HELD PURSUANT TO SECTION 436F OF THE CORPORATIONS ACT 2001**

First meeting of the appointed Committees of Creditors of Great Southern Limited and Great Southern Managers Australia Limited held at the offices of Ferrier Hodgson, Level 26, 108 St George's Terrace Perth, Western Australia on Tuesday, 9 June 2009 at 10:30am (WST).

PRESENT:

The Committee members in attendance at the offices of Ferrier Hodgson Perth were:

Creditor Name	Represented by
Abbey Lea Pty Ltd ATF The Lea Trust	Peter Burke
Bendigo and Adelaide Bank Limited	Tim O'Malley
Kailis Olive Processing Pty Ltd	Mark Kailis
Great Southern Limited employees	Sandra Gibson

The Committee members in attendance via teleconference at the offices of Ferrier Hodgson Melbourne were:

Creditor Name	Represented by
Australian Financial Services Limited	Michael Butler
33 1/3 JAF Pty Ltd	Neil White
Phillip Capicchiano (Private Investor)	Himself

The Committee members in attendance via teleconference were:

Creditor Name	Represented by
Australian Executor Trustees Limited	Phillip Joseph
Terello Pty Ltd ATF Blasi Family Super Fund	Paul Sweeney
CRC Forestry Limited	Mark Sheldon-Stemm

The following Committee members that were noted as apologies:

Creditor Name	Represented by
Complete Investments	Peter Young
John Dehne (Private Investor)	Himself
Quenby Viticultural Services	Rob Quenby

CHAIRMAN :

Martin Jones introduced himself and advised that pursuant to regulation 5.6.17(1) of the Corporations Regulations he would act as the Chairman of the meeting.

The Chairman confirmed that concurrent creditor committee meetings were being held for Great Southern Limited and Great Southern Managers Australia Limited.

SECRETARY :

The Chairman appointed Derek Keir as minute's secretary for the purposes of the meeting.

INTRODUCTION:

The Chairman welcomed the Committee members to the first meeting of the Committee of Creditors.

The Chairman briefly discussed the background to the convening of the committee meeting and reminded committee members of their

obligations under the confidentiality deed.

The Chairman thanked the attendees for the receipt of the signed confidentiality agreements.

NOTICE OF MEETING

The Chairperson advised that the meeting had been called in accordance with the Notice of Meeting dated 2 June 2009. This notice was emailed to all members of the Committee of Creditors along with the Circular to the Committee of Creditors on 2 June 2009.

The Chairman advised that unless any Committee member objected he would proceed on the basis that the notice calling the meeting be taken as read in respect of both Great Southern Limited and Great Southern Managers Australia Limited.

PURPOSE OF MEETING:

The Chairman advised that the main purpose of the meeting was :

- To consider the Circular to the Committee of Creditors dated 2 June 2009 and Memorandum to the Committee of Creditors dated 8 June 2009.
- To consent to the application by the Administrator to extend the convening period by 3 months.
- To address any questions from the Committee of Creditors regarding the Administration.
- For the Committee of Creditors to discuss and approve a method for the allocation of the remuneration of the Joint and Several Administrators as set out in the Memorandum to the Committee of Creditors dated 8 June 2009.
- To discuss any other business that may be lawfully brought forward.

ADMINISTRATORS' REPORT TO THE COMMITTEE:

The Chairman tabled the Administrators' circular to the Committee of Creditors dated 2 June 2009 and Memorandum to the Committee of Creditors dated 9 June 2009 and discussed the agenda for the meeting. Discussions took place regarding the following :

Operations

- Cash flow forecasts for entities under the Administrators control and working with the receivers on their cash flow estimates
- The process of reviewing individual schemes and possible funding requirements
- The establishment of a statement of position for each entity
- The options available to creditors at the second meeting (i.e. liquidation, deed of company arrangement or for the administration to end)
- The Administrators role in facilitating the execution of a deed of company arrangement

Administration

- Communication strategy with stakeholders
- Liaison with the Receivers and Managers

Investigations

- Issues raised by creditors and investors
- Forensic review to determine solvency matters
- Investigations into Project Transform

- Investigations into the sale of loans to Javelin Asset Management
- Review of executive management decisions
- Requirement to report findings to authorities (i.e. ASIC)
- Discussion of the procedures available for other recoveries

QUESTIONS:

The Chairman called for any comments and questions from those present at the meeting.

Neil White

I thought that it may be beneficial and appropriate for the interests and motivations of committee members to be declared to the creditor body as a whole.

Chairman

The motive of committee members and the Administrators is to get the best possible outcome for all creditors. We can organise for our bulletin to be updated so as to advise other creditors and investors of the committee member's respective interests in the Administration (i.e. investor, advisor, creditor etc).

Michael Butler

With regard to possible Deed of Company Arrangement proposals, have the Administrators and Receivers been communicating with the secured lenders?

Chairman

A DOCA proposal may only work if the banks are dealt with. There may be competition between a number of DOCA proposals and the Administrator is required to assess each on its merits and make a recommendation to creditors.

James Stewart – FH Melbourne

It may assist the Committee if you could clarify the role of the secured creditors in terms of a DOCA proposal.

Chairman

The secured creditor cannot be bound or required to enter into a DOCA by a resolution passed by unsecured creditors. There are a combination of possible options for secured creditors, however any refinancing or restructure cannot affect the rights of valid security held by the secured creditors. The secured creditors must either vote to approve a DOCA proposal or be a party to the DOCA.

Neil White

With forestry or other projects where there are assets growing on leased land, what is the position with regards to the head leases and sub leases? If an investor is unable to meet its financial obligations can their assets sitting on the land be taken as security?

Chairman

It depends on the project but leases are not something that can be unilaterally unwound by the secured creditors. The receivers are working through the viability and cash flow issues for each and every scheme which they have advised will be another 2 to 3 weeks to get a final position. We are communicating with ASIC regarding the reviews of each scheme and there are sufficient checks and balances to prevent any party losing value.

Michael Butler

I would like to know who is assisting Ferrier Hodgson and McGrath Nicol with respect to the structural MIS issues and agricultural issues as

industry experts in this area?

Chairman

Agricultural experts are certainly required. I am unsure who McGrath Nicol have retained to assist in this capacity, however if possible, we will find out and circulate details to the committee.

Phil Capicchiano

It is reassuring that consideration is being given within the viability analysis as to the agricultural aspects rather than just taking a strictly accounting approach.

James Stewart – FH Melbourne

Can you please explain or clarify how the leases work?

Chairman

Yes, GSMAL/related entities either owns the land or leases it from third parties. This land is then sub-let to the individual growers groups. Leases will generally default under the R&M, however as Administrators we have the right to maintain these leases. I don't see any ability for one party to take off with assets without recognising the value of other entities and the encumbrances. We have a thorough legal process which is on-going from our side that is looking at these issues and there are checks and balances in place.

Mark Sheldon-Stem

Is there any real legal precedents in Australia for this or are we ultimately going to end up in court.

Chairman

There is a precedent however it is compounded by the number of schemes and I believe the focus needs to be on a scheme by scheme basis to progress the viability assessments.

The concept of viability in relation to the schemes comes down to whether or not the RE can meet its obligations. We will look at schemes individually however there is no global process to carry unviable schemes forward that may become viable in the future.

Peter Capicchiano

The model as it is unfolding is that projects may be unviable today without investors providing funds but in the future may become viable (and may require further funding from the investors) to carry these projects to harvest. Is this a proposal that is being looked at?

Chairman

It is something that will be looked at in the MIS viability review and where projects are viable may involve a Deed of Company Arrangement.

Michael Butler

If for example the growers in Sylvatech were to get together and vote to appoint a new RE what would happen then? Would the R&M step aside for the new RE?

Chairman

That is another way that projects may be dealt with, however any new RE would need to sign up to take over the liabilities and the assignment of leases from Great Southern.

Phillip Capicchiano

Just prior to Great Southern being placed into administration a number of cattle properties were preparing to be sold. What is the status with this?

Chairman

It is my understanding that an offer was made to the company, however the company thought it would be better to take the cattle to auction which is due to be held this week beginning the 15th June 2009. However, I have not heard anything from the R&M regarding this issue.

Sandra Gibson

The issue has also been raised by a number of employees that the cattle may be considered a floating charge asset which could be used to pay entitlements.

Chairman

The cattle are subject to security (both as fixed and floating) charge asset based on our review of the security documents.

Michael Butler

Given that Project Transform settled in February is it possible that this may be deemed a voidable transaction?

Chairman

We are looking into that transaction. Any proceeds from the sale of those cattle will need to be accounted for separately and the R&M is mindful of that.

RESOLUTIONS:

The chairman put to the Committee the following resolutions:

Convening Period Extension

The Chairman discussed the proposed 3 month extension to the convening period for the second creditors meeting of the GSL Group and the reasons behind the proposal.

The Chairman advised the committee that he had written to the Receiver and Managers recommending the three month extension and was advised at a meeting convened this morning that:

- (i) The secured creditors were meeting on Thursday and no formal response was available until then;
- (ii) Their preference was to limit the extension to two months.

Paul Sweeney advised that he would agree to the extension as in his view this required further work that could not be completed within 2 months, however he would request that the Committee meet with and receive reports from the Administrators at least once a month.

This was agreed to by the Chairman and he advised that tentative dates for future meetings would be circulated to Committee members shortly.

GSL

“That the Administrators be permitted to apply to the Court for a 3 month extension to the convening period for the second creditors meeting”

The resolution was moved by Mark Sheldon-Stemm and seconded by Sandra Gibson. There being no objections from the Committee of Creditors, the resolution was carried unanimously.

GSMAL

“That the Administrators be permitted to apply to the Court for a 3 month extension to the convening period for the second creditors meeting”

The resolution was moved by Paul Sweeney and seconded by Mark Kailis. There being no objections from the Committee of Creditors, the

resolution was carried unanimously.

Administrators Remuneration – GSL & GSMAL

The Chairman discussed the issue of the allocation of the Administrators fees between the Great Southern Group entities and encouraged discussion between the committee members.

Paul Sweeney

I am a bit uncomfortable to give a sign-off for the whole administration period and would rather wait to see what it looks like after the next month.

Chairman


It is not a blanket approval we are seeking for remuneration for the Administration period. Rather approval of the structure of the fees and how these are allocated between the entities. Given your concerns I propose that we will continue to capture our fees as per the proposed structure and then we will put the resolution to the committee again at the next meeting.

CLOSURE:

There being no other business, the Chairman thanked the Committee of Creditors for their attendance.

The Chairman declared the meeting closed at 12:32pm.

Signed as a true and correct record



Martin Jones

Chairman

Date: 9 July 2009