

PERTH

Level 26 BankWest Tower
108 St George's Terrace
Perth WA 6000 Australia
GPO Box 2537 Perth WA 6001
phone +61 8 9214 1444
fax +61 8 9214 1400
email perth@fh.com.au
www.ferrierhodgson.com

1 July 2010

**Rewards Group Limited
(Receivers And Managers Appointed) (Administrators Appointed)**

**And Subsidiaries as set out in The Schedule
(Receivers and Managers Appointed to Limited Companies)
(All Administrators Appointed)**

(Collectively referred to as the Group)

CIRCULAR TO CREDITORS

**ADELAIDE
BRISBANE
MELBOURNE
SYDNEY
HONG KONG
JAKARTA
KUALA LUMPUR
MANILA
MUMBAI
SHANGHAI
SINGAPORE
TOKYO**

I refer to the appointment of Andrew Saker, Darren Weaver and I as Joint and Several Administrators of the Group on 16 May 2010 and to our circular to creditors dated 16 June 2010.

**Affiliated through
Zolfo Cooper
and
Kroll Worldwide
UNITED STATES
UNITED KINGDOM**

I confirm that the Administrators entered into an interim funding agreement with the Rewards Group Advocacy Group Inc (RGAG) on 17 June 2010. RGAG forwarded the Administrators funds to maintain and preserve all lease commitments for the horticulture (excluding vineyard and berries schemes) and timber schemes managed by the Group to 30 June 2010. Subsequent to this interim funding arrangement, additional longer term funding was proposed for ongoing maintenance and preservation costs of the aforementioned schemes to 31 July 2010 to be approved by the Court on or before 30 June 2010.

Further, we advise that an interim funding agreement was entered into with Associate Connection Pty Ltd, Packing Connection Pty Ltd and Berry Connection Pty Ltd (Collectively referred to as the Connection Group) for the berry schemes. Again, the loan was subject to approval by the Court on or before 30 June 2010.

I advise that a hearing was held on 30 June 2010 whereby the Court approved the Administrators entering into both loan agreements above.

Under the RGAG funding arrangements, RGAG has been granted exclusivity to 31 July 2010 (or so long as funding remains in place) to liaise with the Administrators with a view to putting forward a restructuring proposal for all or part of the Group and / or the schemes managed by the Group (excluding vineyard and berries schemes) for creditors' and growers' consideration, as applicable.

Under the Connection Group funding arrangement the Connection Group will be funding operations to complete the current harvest of the berry schemes, which are expected to conclude around September / October 2010 in the case of Caboolture, Queensland and May 2011 in the case of Yarra Valley, Victoria.



Furthermore, as you would be aware, on 9 June 2010 the Administrators made an application pursuant to section 439A(6) of the Corporations Act 2001 to the Court seeking an extension of the convening period for the second meetings of creditors of the Group, for up to three months. This application was approved and the Court granted orders to this effect on 11 June 2010.

Subsequent to the 11 June 2010 hearing, the Receivers and Managers of various entities of the Group opposed the three month extension of the convening period. Following our discussions with the Receivers and Managers and in line with the timeframe of the RGAG funding agreement, we agreed with the Receivers and Managers that the extension of the convening period previously approved by the Court be brought back to 9 August 2010 (subject to any additional extension application that we may make). In this regard, the Court approved this agreement and granted orders to this effect on 29 June 2010.

I further advise that I am yet to receive a stamped copy of the abovementioned orders from the Court. Once available, a copy of the orders:

- Will be provided upon request
- Will also be made available on the Ferrier Hodgson website (www.ferrierhodgson.com)

Creditors and investors will be updated on the progress of the administration by 31 July 2010 or as material events unfold. In the interim, should you have any queries in relation to this matter, please do not hesitate to contact either Geoff Webb, Jamie Gunnis or Sean Holmes of this office.

Martin Jones
Joint and Several Administrator of
Rewards Group Limited
and Subsidiaries as set out in the Schedule

THE SCHEDULE

Company Name	ACN
Rewards Projects Limited	089 582 427
Rewards Land Pty Ltd *	089 948 824
Rewards Management Pty Ltd *	089 940 376
Ord Packers Pty Ltd *	106 363 964
Berry Packers Pty Ltd *	125 068 911
Rural Labour Pty Ltd	130 732 786
Greentree Capital Pty Ltd (Formerly QPR Capital Finance Pty Ltd)	093 209 173

* Receivers and Managers appointed over these entities and Rewards Group Limited

CORPORATE ADVISORY

FORENSICS

CORPORATE RECOVERY