

## **Important update – Insert date: November, 2007**

**This document has been prepared by Macquarie Alternative Assets Management Limited (AFSL 225758) as Responsible Entity of the Macquarie Eucalypt Project 2005 ARSN 112 774 428 (“Eucalypt Project”).**

Some replanting was required as a result of severe drought and frosts which affected survival rates and made pest and weed control on the affected areas more difficult. We have now completed this replanting in excellent conditions with good rainfall. The replanted areas are already showing signs of good early growth and are well positioned for the summer ahead. The trees in areas which were not replanted saw a difficult first year and consequently are under stress, requiring close monitoring and more direct management, particularly where insects are concerned. The Independent Expert has reported that both plantation managers, Midway and McEwens, have done an excellent job in managing the plantations and completing replanting where required. The impact of the drought on your trees is likely to have resulted in some lost productivity to date unless there is above average rainfall over the remainder of the rotation. We will continue to monitor the plantations and ensure that they are managed in accordance with best forestry practices and mitigate the impacts of the drought where possible.