

Lara Giddings MP
Deputy Premier
Attorney-General
Treasurer
Minister for Justice
Minister for the Arts



Executive Building, Level 10, 15 Murray Street, HOBART TAS 7000, Australia
Tel: (03) 62 33 6752 Fax: (03) 62 33 2806
Email: lara.giddings@parliament.tas.gov.au
Web: www.justice.tas.gov.au www.treasury.tas.gov.au www.arts.tas.gov.au

Mr A J Kloeden
Chairman
Forestry Tasmania
GPO Box 207
HOBART TAS 7001

Dear Mr Kloeden

LETTER OF COMFORT

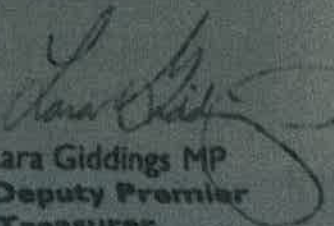
I am writing regarding a request by Tascorp that the Letter of Comfort provided in relation to Forestry Tasmania's obligations to Tascorp remain in place beyond the previously advised withdrawal date of 14 February 2011, until Forestry Tasmania can demonstrate it can support borrowings of \$40.8 million on a standalone basis.

I have advised Tascorp of my agreement to extend the Letter of Comfort.

As you are aware, the Government has initiated an independent Strategic Review of Forestry Tasmania and an important part of this review will be consideration of the capital structure of Forestry Tasmania. I have therefore agreed to extend the Letter of Comfort until the recommendations of the review can be considered.

I have advised Tascorp that the Letter of Comfort has been extended until 31 December 2011 and that it is limited to Forestry Tasmania's existing borrowings of \$40.8 million.

Yours sincerely



Lara Giddings MP
Deputy Premier
Treasurer

MAY 2011

Lara Giddings MP
Deputy Premier
Attorney-General
Treasurer
Minister for Justice
Minister for the Arts



Executive Building, Level 10, 15 Murray Street, HOBART TAS 7000, Australia
Ph: (03) 62 33 6752 Fax: (03) 62 33 2806
Email: lara.giddings@parliament.tas.gov.au
Web: www.justice.tas.gov.au www.treasury.tas.gov.au www.arts.tas.gov.au

Mr D W Challen
Chairman
Tasmanian Public Finance Corporation
GPO Box 1207
HOBART TAS 7001

Dear Mr Challen


FORESTRY TASMANIA LETTER OF COMFORT

I write in relation to your request that the Letter of Comfort provided in relation to *Forestry Tasmania's* obligations to Tascorp remain in place beyond the previously advised withdrawal date of 14 February 2011.

I am prepared to extend the Letter of Comfort until 31 December 2011, noting that it is limited to *Forestry Tasmania's* existing borrowings of \$40.8 million and does not apply to any other borrowings undertaken by *Forestry Tasmania*.

I have separately written to *Forestry Tasmania* advising that I have extended the Letter of Comfort.

Yours sincerely



Lara Giddings MP
Deputy Premier
Treasurer

JMAY 2011