

Australian Executor Trustees Limited
ABN 84 007 869 794 AFSL No. 240023 RSEL No. L0002554
Australian Executor Trustees (NSW) Limited
ABN 70 000 329 706
Australian Executor Trustees (SA) Limited
ABN 23 007 870 644
AET Structured Finance Services Pty Ltd
ABN 12 106 424 088 AFSL No. 258829
AET SPV Management Pty Ltd
ABN 67 088 261 349 AFSL No. 279157
www.aetlimited.com.au



A member of the Australian Wealth Management Group

25 May 2009

Dear Holder,

**GREAT SOUTHERN LIMITED (ADMINISTRATORS APPOINTED)
TRANSFERABLE RESET EXCHANGEABLE SECURITIES 3 ("TREES3")
TRUST DEED DATED 12 SEPTEMBER 2005, AS AMENDED**

We refer to the appointment of Australian Executor Trustees (SA) Limited ("AET") as Trustee for Holders of TREES3 issued by Great Southern Limited ("GSL" or "Company"), by way of the Trust Deed dated 12 September 2005 and the First Supplemental Deed to the Trust Deed dated 13 October 2005 ("Trust Deed").

Terms defined in the Trust Deed have the same meaning in this letter unless clearly indicated to the contrary.

As you are aware, Ferrier Hodgson has been appointed as administrator to GSL. This constitutes an Acceleration Event pursuant to Clause 6.6(c)(4) of the Terms of Issue ("Terms").

Ferrier Hodgson has posted a notice on their website advising of the Acceleration Event.

The actions that Holders can take under the Terms on an Acceleration Event are as follows:

"6.6 Redemption on Acceleration Events

- a) A Holder may elect to Redeem all or some of the TREES3 held by it by giving a Holder Redemption Notice to the Company during the period from the Holder becoming aware of the Acceleration Event until 60 Business Days after the publication of an Acceleration Event Notice under paragraph (d).
- b) To be valid, a Holder Redemption Notice must:
 - 1) indicate that the Holder is giving notice under this clause 6.6; and
 - 2) apply to a minimum of the lesser of:
 - A. 20 TREES3; and
 - B. the number of TREES3 registered in the name of the Holder who issues the Holder Redemption Notice.
- c) Acceleration Event means the occurrence of any of the following, unless prior to the relevant occurrence, the Trustee has determined, acting reasonably, that the relevant occurrence does not prejudice the interests of Holders:
 - 1) the Company or any Material Subsidiary resolves in general meeting to be wound up;
 - 2) a provisional liquidator is appointed to the Company or and Material Subsidiary;

- 3) an application is made, an order is made or a resolution is passed for the winding up of the Company or any Material Subsidiary (other than to effect a solvent reconstruction);
 - 4) an administrator of the Company or any Material Subsidiary is appointed under the Corporations Act or a resolution to appoint an administrator is passed;
 - 5) the Company or any Material Subsidiary executes a deed of company arrangement;
 - 6) the Ordinary Shares or the TREES3 are suspended from trading on ASX for more than 20 consecutive Business Days;
 - 7) any Financial Indebtedness of the Company or a Material Subsidiary in an amount in excess of \$1,000,000 is not paid within 30 Business Days of the due date (unless the Trustee is of the opinion that there is a bona fide dispute in respect of such payment);
 - 8) the Company:
 - A. breaches any of the covenants in clause 8 or the covenant in clause 4.8(a); or
 - B. is in material breach of any other material provision of these Terms,
 and the breach is not remedied within 20 Business Days of the Company becoming aware of the breach;
 - 9) the Company or any Material Subsidiary enters into or resolves to enter into any debt moratorium arrangement or other arrangement, composition or compromise with, or assignment for the benefit of, any of its creditors for an amount in excess of \$500,000.
- d) As soon as practicable after becoming aware of an Acceleration Event, the Company must notify the Holders and the Trustee of the Acceleration Event by publishing an Acceleration Event Notice and by giving notice to the Trustee in accordance with the Trust Deed.
- e) If the Company receives a Holder Redemption Notice, the Company must, on the Exchange Date, Redeem the TREES3 referred to in that Holder Redemption Notice and pay to the Holder a cash payment equal to the Redemption Amount for each TREES3 being Redeemed. Nothing in the foregoing limits the Company's obligation to pay any Coupon that may be payable in accordance with clause 3."

The following is a summary of the above clauses and the sequence of events:

- As an administrator has been appointed to the Company, an Acceleration Event has occurred;
- The Company is obliged to advise the Trustee and Holders of the Acceleration Event by publishing an Acceleration Event Notice;
- Once Holders are aware of an Acceleration Event, they may lodge a Holder Redemption Notice;
- The Holder Redemption Notice can be lodged at any time within 60 Business Days of the publication of the Acceleration Event Notice;
- The Holder Redemption Notice must be accompanied by evidence of title;

- Upon receipt of a Holder Redemption Notice, the Company is obliged to pay the Holder the amount payable in accordance with the Trust Deed.

You should consider whether you wish to serve a Holder Redemption Notice on GSL.

In any eventual liquidation of GSL, the Trustee will only be able to lodge a proof of debt for the face amount of those TREES3 where redemption has been requested in accordance with the procedure described above. This letter should, however, not be construed as an advice or recommendation in relation to any particular course of action that may be available to you.

If you do decide to serve a Holder Redemption Notice on GSL, please forward a copy of your Holder Redemption Notice to us.

Please Note: Claims of the secured creditors of GSL rank ahead of all unsecured creditor claims, which in turn rank ahead of TREES3. Whilst Holders may request redemption of TREES3 by lodging a Holder Redemption Notice, all secured debt is required to be repaid, followed by the claims of all unsecured creditors, before funds (if any) can be paid to TREES3 Holders. By lodging a Holder Redemption Notice, this crystallises the obligation on GSL to repay the TREES3.

A template that Holders may wish to use for the Holder Redemption Notice is attached to this letter.

The Trust Deed provides that the Trustee will lodge a proof of debt on behalf of all TREES3 Holders. We have advised the administrator that AET is acting on behalf of Holders and has lodged a proof of debt on behalf of the Holders. Holders will not be required to lodge their own proof of debt.

AET will be attending the first meeting of creditors on 27 May 2009 and will nominate itself to be appointed to the committee of creditors, if one is established.

As TREES3 are unsecured, AET does not have access to funds. Any relevant information will be posted to AET's website from time to time – www.aetlimited.com.au/CorporateTrustServices/Announcements

Holders may also check the administrator's website for updates - www.ferrierhodgson.com

If you have any questions, please contact either the writer or Philip Joseph on (02) 9028 1051.

Yours faithfully,



Stuart Howard
Senior Relationship Manager
Corporate Trust
Australian Executor Trustees Limited
ph 02 9028 5908 | fax 02 9028 5942 | e stuart.howard@aetlimited.com.au

HOLDER REDEMPTION NOTICE

To: Great Southern Limited
16 Parliament Place
West Perth WA 6005

Attention: Mr Cameron Rhodes

By Facsimile: 08 9321 9288

From: <Name>
<Address>

I refer to the TREES3 Trust Deed dated 12 September 2005, as amended ("Trust Deed").

Words which are defined in the Trust Deed have the same meaning when used in this notice.

This is a Holder Redemption Notice given under clause 6.6(a) of the Trust Deed and as a consequence of administrators being appointed to Great Southern Limited ("Company"). Thus, clause 6.6(c)(4) of the Terms of Issue applies.

I hereby require the Company to redeem (in accordance with clause 6.6 of the Terms of Issue) <number of TREES3> of TREES3 of which I am a registered holder.

Date:

Signed by <Holder> or in the case of a corporate Holder, be signed by an officer of the Holder, or under the common seal of the Holder

Copy to:

Mr Stuart Howard
Senior Relationship Manager
Australian Executor Trustees (SA) Limited
Level 22, 207 Kent Street
Sydney NSW 2000

Fax: 02 9028 5942

Email: stuart.howard@aetlimited.com.au