



QUINTIS LTD  
ABN 97 092 200 854

20 January 2018

## Appointment of administrators

The Company confirms that on 19 January 2018, an institutional plantation investor, Asia Pacific Investments DAC, exercised an option to require the Company to acquire 400 hectares of plantations at a pre-determined price of approximately \$37 million. Settlement of the payment of the put option price is required to take place on 2 February 2018.

The Company does not have the financial resources available to it to pay the put option price and the Directors have therefore resolved to appoint Richard Tucker, Scott Langdon and John Bumbak of KordaMentha as voluntary administrators of Quintis Limited and its Australian subsidiaries (as set out in the Schedule below). The purpose of the voluntary administration is to protect the interests of shareholders, creditors, employees, suppliers, growers and other stakeholders.

The Company understands that the Noteholders intend to appoint McGrathNicol as Receivers and Managers of the secured assets and that they will maintain the operations of the Company. The majority Noteholders have expressed a desire to work with stakeholders during the process to find a suitable outcome that focusses on maximising value for all interested parties.

The Company understands that the Receivers will further evaluate restructuring and sale alternatives, including a potential recapitalisation of the business with Noteholder support. As previously announced, certain of the Noteholders have recently purchased additional Notes from the Company, the proceeds of which are anticipated to be sufficient to fund operations whilst this process is undertaken.

The Company has been working tirelessly on a recapitalisation transaction to improve its liquidity position since April 2017 and it is disappointing that a successful solvent recapitalisation could not be completed.

In November 2017, a non-binding term sheet for a potential recapitalisation of Quintis was signed by potential new equity investors, the majority of the holders of the Company's 8.75% senior secured notes ("Noteholders") and the Company. Final binding terms could not be agreed between the new equity investors and the Noteholders.

At the same time, the Company and Noteholders were engaged in discussions with a separate consortium ("alternative transaction consortium") of potential investors, which included the former Managing Director, Mr Frank Wilson, about an alternative transaction.

After several months of discussions, due diligence and site visits undertaken by the alternative transaction consortium, the potential investors in the alternative transaction consortium were asked to provide equity commitment letters to the Company and Noteholders in advance of the date by which the put option held by Asia Pacific Investment DAC could be exercised. No evidence of funding commitments satisfactory to the Noteholders were received by either the Company or the Noteholders by this date from this consortium.

Throughout the relevant period of discussions and negotiations, all proposals remained confidential, incomplete and subject to certain conditions including binding documentation.

For personal use only

Chairman, Mr Dalton Gooding, said, "We are very disappointed with this outcome given the huge efforts made over the last nine months to recapitalise the Company in order to deliver its sustainable future. The Board is very grateful for the support of the management team, the Noteholders and many others over this period."

The Administrators and Receivers will communicate directly with key stakeholders over the coming days.

ENDS

**Schedule –**

Quintis Group – entities over which the Administrators are appointed

Company name	ACN
QUINTIS LTD	092 200 854
ARWON FINANCE PTY LTD	072 486 643
AUSTRALIAN SANDALWOOD OIL CO. PTY LTD	088 257 498
MT ROMANCE AUSTRALIA PTY LTD	060 122 698
MT ROMANCE HOLDINGS PTY LTD	115 659 606
QUINTIS LEASING PTY LTD	080 978 721
SANDALWOOD PROPERTIES LTD	093 330 977
QUINTIS FORESTRY LIMITED	080 139 966