

**W.A. BLUE GUM PROJECT  
ARSN 092 298 266**

**SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT**

**ISSUED BY W.A. BLUE GUM LIMITED  
ACN 060 179 982  
AFS Licence Number 246264**

THIS DOCUMENT IS A SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT (“**SPDS**”). IT SUPPLEMENTS THE PRODUCT DISCLOSURE STATEMENT DATED **29 MARCH 2010** (“**PDS**”) ISSUED BY W.A. BLUE GUM LIMITED ACN 060 179 982 AS RESPONSIBLE ENTITY FOR THE W. A. BLUE GUM PROJECT.

THIS SPDS MUST BE READ TOGETHER WITH THE PDS.

THIS SPDS IS DATED 18 JUNE 2010

Capitalised terms used in this SPDS have the same meaning as given to those terms in the PDS, save that:

**Scheme** means the registered managed investment scheme known as W.A. BLUE GUM PROJECT ARSN 092 298 266;

**Project** means the 2010 offer of Interests in the Scheme as outlined in the PDS and this SPDS.

The *Corporations Act 2001* (Cth) requires issues of Interests in the Scheme to be made pursuant to the Application Form included in or which accompanies the PDS (which is taken to incorporate the matters contained in this SPDS).

In this SPDS W.A. Blue Gum Limited provides potential investors with an update and clarification with respect to the information contained in the PDS .

**1. PRODUCT RULING OBTAINED**

W.A. Blue Gum Limited is pleased to advise potential investors that on 9 June 2010, the Australian Taxation Office issued a product ruling with respect to Interests in the Scheme offered under the PDS, being ruling PR 2010/14. A copy of that Ruling is available at [www.wabg.com.au/pds.php](http://www.wabg.com.au/pds.php).

A product ruling issued by the Australian Taxation Office is only a ruling on the application of taxation law and is in no way expressly or impliedly a guarantee or endorsement of the commercial viability of the Scheme, of the soundness or otherwise of the Scheme or the Project as an investment, or of the reasonableness or commerciality of any fees charged in connection with the Scheme or the Project. Further, the Ruling is only binding on the Commissioner if the Project is implemented in the specific manner provided in the Product Ruling.

## 2. MORE INFORMATION ABOUT W.A. BLUE GUM LIMITED

- 2.1 W.A. Blue Gum Limited, in its own capacity, maintains a cash deposit to ensure that it meets the financial requirements under its Australian Financial Services Licence including the minimum net tangible asset requirement of **\$50,000**.
- 2.2 Copies of the audited annual financial reports of W.A. Blue Gum Limited are available from ASIC or by contacting W.A. Blue Gum Limited on the details below.
- 2.3 W.A. Blue Gum Limited operates the Scheme through a discretionary trust known as the W.A. Blue Gum Management Trust (“**Trust**”). W.A. Blue Gum Limited is the trustee of the Trust and receives the income from Growers in the Scheme in its capacity as trustee of the Trust. It also meets the expenses of the Scheme from this income.
- 2.4 Accordingly W.A. Blue Gum Limited receives all amounts payable under the PDS (including rent, tending and other fees) by Growers in its capacity as trustee of the Trust. W.A. Blue Gum Limited holds these funds as trustee on the terms of the trust deed (referred to below) and utilises these funds to meet expenses of the Scheme. Where the Trust makes a profit in a particular period, W. A. Blue Gum Limited has the power to distribute those amounts to beneficiaries in the Trust.
- 2.5 Harvest income is held by the Custodian for W.A. Blue Gum Limited, as responsible entity, for Growers exclusively in a dedicated bank account and does not form part of the income or assets of the Trust.
- 2.6 W.A. Blue Gum Limited does not believe its status as trustee of the Trust creates any conflict of interest with its duties as responsible entity.
- 2.7 W.A. Blue Gum Limited notes that Growers in the Scheme are independent and separate to the Trust, and do not become beneficiaries in the Trust.
- 2.8 As well as the financial statements of W.A. Blue Gum Limited in its own capacity, accounts are also prepared and audited annually which show the income and expenses of the Trust.
- 2.9 Copies of the audited annual financial reports for the Trust are also available by contacting W.A. Blue Gum Limited on the details below.
- 2.10 The trust deed constituting the Trust includes the following:
- (a) W.A. Blue Gum Limited in its capacity as trustee for the Trust holds trust property on behalf of the Trust’s beneficiaries to be distributed to such beneficiaries in such proportions as W.A. Blue Gum Limited in its discretion sees fit;
  - (b) a broad right of indemnity for W.A. Blue Gum Limited to be indemnified out of the assets of the Trust for all expenses relating to the Trust or incurred in the administration of the Trust; and
  - (c) a broad power to invest and deal with the assets of the Trust; and
  - (d) other terms typically found in a discretionary trust.

2.11 Accordingly where the PDS refers to payments being made to W.A. Blue Gum Limited, such references should include a reference to W.A. Blue Gum Limited receiving those amounts in its capacity as trustee of the Trust.

### **3. RELATIONSHIP BETWEEN THE SCHEME AND EACH PLANTATION**

3.1 Every year since the commencement of the Scheme W.A. Blue Gum Limited has offered a new group of investors an opportunity to invest in a new plantation. Each year a new product disclosure statement is issued offering potential investors the opportunity to invest in a new class of interests in the Scheme. Each new class of interests in the Scheme offered under a corresponding product disclosure statement creates a 'project'. As such, the Scheme is made up of a number of projects, the latest of which is the 'W.A Blue Gum Project 2010' (i.e. the Project the subject of this SPDS and the PDS).

3.2 Essentially, a 'project' refers to each new class of interests being issued in the Scheme pursuant to the corresponding product disclosure statement.

3.3 As set out in the PDS each investor's Interest in the Scheme involves:

- (a) a sublease over a separate area of land pursuant to which the investor becomes entitled to the trees on that land; and
- (b) rights under a project management contract and a wood purchase agreement in relation to the establishment, tending, harvest and sale of the Grower's trees.

3.4 The sublease, project management contract and wood purchase agreement for a Grower in a particular year (or "project") under a particular product disclosure statement are as set out in the product disclosure statement pursuant to which the Grower subscribed. This means that Growers under different product disclosure statements have separate rights and obligations, and are treated as different classes of Growers.

3.5 Similarly the harvest proceeds for each Grower are pooled exclusively with other Growers who subscribed under the particular product disclosure statement and not with other Growers who subscribed under other product disclosure statements.

3.6 However, while investors in each "project" invest in a separate class of interests from other "projects", potential investors should be aware that:

- (a) Growers under the 2010 Project, will be part of the Scheme together with Growers who were issued Interests under other product disclosure statements; and
- (b) there are some decisions that can only be made by an appropriate resolution for which all Growers in the Scheme are entitled to vote (eg replacement of the responsible entity, certain amendments to the Constitution, winding up of the Scheme etc) and therefore the votes of Growers in the Project will also be affected by votes of Growers who invested under previous product disclosure statements.

3.7 Accordingly, for the sake of clarity, in the PDS all references to the WA Blue Gum Project 2010 (including the references on the front cover, in the Chairman's letter, on pages 5, 6, 15 and in the Glossary) shall be construed as a reference to the W.A. Blue Gum Project ARSN 092 289 266.

For any enquiries please do not hesitate to contact the Company as follows:

W.A. Blue Gum Limited  
Level 21, 385 Bourke Street  
Melbourne VIC 3000  
Australia

Telephone: 1300 888 511  
Facsimile: (03) 9642 4435  
Email: [info@wabluegum.com.au](mailto:info@wabluegum.com.au)  
Website: [www.wabluegum.com.au](http://www.wabluegum.com.au)