



QUINTIS LTD
ABN 97 092 200 854

31 August 2017

Quintis negotiates forbearance agreement with Noteholders

Quintis (ASX code: QIN, the "Company"), the world's largest owner and manager of commercial Indian sandalwood plantations, provides the following update on the Company's 8.75% senior secured notes ("Notes") with respect to an interest payment that fell due on 1 August 2017 and the interim quarterly reporting requirements under the terms of the Notes.

1 August 2017 interest payment

As announced on 31 July 2017, the Company did not make an interest payment of US\$10.9 million that was due on the Notes on 1 August 2017 and, if such payment was not made by 30 August 2017, an "event of default" would occur. In such event, the principal amount of the Notes could be accelerated to become immediately due and payable.

Quintis today advises that it has executed a Forbearance Agreement with a significant majority of the noteholders ("Noteholders") whereby those Noteholders have agreed to refrain from taking an enforcement action in relation to the default arising from the non-payment of the 1 August 2017 instalment of interest.

The Forbearance Agreement will continue until 1 March 2018 unless it is terminated earlier upon the occurrence of certain events, including:

- Quintis is unable to agree to a recapitalisation plan by 6 September 2017; fails to make satisfactory progress towards recapitalisation in the opinion of any substantial Noteholder (being a holder of 5% or more of the outstanding Notes); or fails to implement a recapitalisation plan within 90 days of its agreement by the relevant parties;
- A majority of Noteholders determine, at any time, that commercial negotiations for the recapitalisation of the Company are not progressing to their satisfaction;
- The exercise by Asia Pacific Investments DAC ("API") of a put option which enables API to sell 400 hectares of plantations to the Company at a predetermined price;
- If Quintis is unable to agree terms, acceptable to a majority of Noteholders, with API by 15 September 2017 to waive or defer the plantation put option;
- If Quintis is unable to agree terms, acceptable to a majority of Noteholders, by 15 September 2017 in relation to any "repurchase event" under the contracts under which the Company sold part of its loan book in 2016 (refer to ASX announcement on 29 June 2016); and
- If any new defaults occur under the terms of the Notes.

In accordance with the Forbearance Agreement, the Noteholders have directed the Trustee of the Notes not to initiate any enforcement action in relation to the default for the non-payment of the 1 August 2017 instalment of interest during this forbearance period.

During the forbearance period, interest continues to accrue on the Notes, including interest on the instalment of interest that was due on 1 August.

Reporting of quarterly accounts

Upon receipt of a notification from the Trustee that Quintis had not provided its March 2017 quarterly financial statements by the required date (30 May 2017), Quintis was required to either publish the accounts or receive a waiver of the reporting default by a majority of the noteholders by 8 July 2017. Quintis subsequently received the waiver from a majority of noteholders (see ASX announcement 10 July 2017).

As part of the aforementioned Forbearance Agreement, the Noteholders have agreed to also forbear the provision of the March 2017 quarterly financial statements, subject to the same termination terms outlined above.

The Forbearance Agreement supersedes the prior conditional waiver from a majority of noteholders (see ASX announcement 10 July 2017).

Given the conditionality of the forbearance period, the Company will continue to provide updates to the market on the status of the various conditions, in accordance with its disclosure obligations.

Corporate update

The Company is continuing discussions with a number of parties in relation to a recapitalisation. The recapitalisation, if implemented, will be subject to all necessary shareholder, creditor and regulatory approvals, due diligence and other conditions precedent. The discussions are well progressed but no binding agreements have been entered into and there is no guarantee that the recapitalisation will be completed in this form or another form.

ENDS

For investor enquiries please contact:

Julius Matthys
Chief Executive Officer
Ph: +61 8 9215 3000

Alistair Stevens
Chief Financial Officer
Ph: +61 8 9215 3000

For analyst enquiries please contact:

Gerry Bullon
Gerry.bullon@insor.com.au
Ph: 0418 106 675

For all media enquiries please contact:

Cameron Morse
FTI Consulting
Ph: 0433 886 871