

10 July 2017



QUINTIS LTD  
ABN 97 092 200 854

## Update of Senior Secured Notes

Quintis (ASX: QIN, "the Company"), the world's largest owner and manager of commercial Indian sandalwood plantations, provides the following update on its reporting obligations under the terms of the Company's senior secured notes ("Notes").

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 has now received a waiver from a majority of noteholders and therefore is not required to publish the quarterly accounts.

As part of the waiver, a majority of the noteholders and Quintis have agreed to a number of conditions. The conditions that are of significant relevance to the Company and its shareholders are:

- i) The Quintis group will not incur any additional debt, without the approval of a majority of the noteholders.
- ii) The Quintis group is required to hold a minimum aggregate cash balance of A\$18.0 million, less any payments made with respect to a put option (see (iii) below) as agreed to by a majority of noteholders.
- iii) Without prior written consent of a majority of noteholders, members of the Quintis group will not make any payment or transfer collateral to the institutional plantation owner that possesses a put option. Under the terms of the put option, the investor is able to sell 400 hectares of plantations to the Company at a pre-determined price (refer to ASX Announcement on 1 May 2017).
- iv) Terms for a waiver or deferral of payments to the institutional plantation owner that are acceptable to a majority of the noteholders are agreed by the parties by 30 July 2017.
- v) Amendments to be made by 30 July 2017 to certain provisions in the contracts under which the Company sold part of its loan book in 2016 (refer to ASX announcement on 29 June 2016).
- vi) The terms of the Notes enabled "one or more permitted holders" (namely Quintis' former Managing Director, Frank Wilson) to complete a change of control transaction without triggering the accelerated payout of the Notes that applied to all other parties seeking a similar change of control transaction. This provision has been removed.

As advised on 4 July 2017, the Company remains in discussions with more than one party in relation to potential debt and equity transactions that would have the effect of achieving a recapitalisation of the Company.

ENDS



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