

TAP Research

SELLING A NON-EXISTENT PULP MILL TO NON-EXISTENT BIDDERS

'Fee Milking' – How KordaMentha Takes 3 Years To Sell A Vacant Block Of Land

The ANZ Bank placed Gunns Ltd into receivership and appointed KordaMentha the receiver. The ANZ then sold the debt owed by Gunns to Anchorage Capital of New York. As a result, KordaMentha was transferred to act for a foreign company.

Residents of Tasmania's Tamar Valley are into year 3 of KordaMentha selling the so-called asset 'Gunns pulp mill'. The reality is this asset is a vacant block of land. The 'bidders' for this asset can never be named because they appear to be inventions of KordaMentha.

The longer KordaMentha can drag-out the sale process, the more fees they can milk from Anchorage Capital. The goal is for unsecured creditors to get nothing and KordaMentha and Anchorage to get whats left. The obedient media become accessories to this possible fraud by recycling the same 'news' stories year after year. The media must realise these stories are fabrications.

This document will be updated until KordaMentha has drained the available funds out of Anchorage Capital.

"Our preliminary view is that all of the permits and requirements to continue the pulp mill can be transferred or sold with little impediment," Mark Korda.

September 27 2012 [SMH - Gunns receivers may sell rights to Bell pulp mill](#)

A KordaMentha spokesman said that the receiver, appointed by Gunns' main lending institutions, would now move focus to the pulp mill. "We will be working out the best way now to sell it," he said.

December 20 2012 [Examiner - Receiver to focus on selling pulp mill](#)

Receiver and manager KordaMentha, acting for Gunns' main lenders, confirmed yesterday that it was waiting for an outcome from that meeting before finalising a sales strategy for the pulp mill permits.

February 13 2013 [Examiner - Fate of Gunns assets to be decided](#)

Gunns' receiver KordaMentha has said it is waiting for certainty about the future of the plantations before putting the shelved \$2 billion pulp mill project on the market.

April 9 2013 <http://www.abc.net.au/news/2013-04-08/gunns-liquidator-to-sell-timber-plantations/4616764>

A spokesman for KordaMentha said the receivers welcomed the long-awaited decision for the plantation timber to be sold. "If possible and practical we will put up the pulp mill site and licence at the same time," he said.

August 28 2013 [Examiner - Last of Gunns' assets for sale by Christmas](#)

A KordaMentha spokesman said that it made sense for the receiver to have the proposed mill project up for sale at the same time that Gunns' liquidator PPB Advisory tried to sell off the company's investment plantation forests, mostly planted to feed the mill.

September 2 2013 [Examiner - Eastment outlines needs for pulp mill](#)

KordaMentha partner Bryan Webster has extended the deadline for expressions of interest in all or part of Gunns Group to the second week of January at the request of potential bidders.

January 02 2014 [The Australian - Potential bidders for Gunns get more time](#)

A spokesman for KordaMentha said earlier in the week that the expressions of interest would be analysed by the receivers before the end of the month and it was likely that a second full due diligence stage would be entered.

January 10 2014 [Examiner - Growing strength seen in appeal of pulp mill](#)

Receivers KordaMentha said six parties had made it through to the due diligence stage of the sale process after it assessed indicative bids. "Some of the parties in the final six are interested in the pulp mill opportunity while others are only interested in the wood-chipping business and associated assets," KordaMentha said in a statement.

January 14 2014 <http://www.smh.com.au/breaking-news-business/gunns-receivers-receive-strong-interest-20140114-30t3l.html>

State Parliament looks set to be recalled before the election to consider new legislation that would quash a legal challenge to the pulp mill, as the Gunns receiver revealed it was in talks with six interested buyers.

January 14 2014 [Examiner - Parliament to quash pulp mill legal challenge](#)

The Tasmanian Premier has confirmed she is considering recalling parliament before the state election to shore up the pulp mill project. The Premier, Lara Giddings, says the Government is considering ways to help and that may include new legislation.

January 15 2014 <http://www.abc.net.au/news/2014-01-15/premier-keeps-door-open-on-recall-of-parliament-to-back-pulp-mi/5201498?pfm=ms>

"KordaMentha wrote to me in September 2013, asking the Government to consider introducing legislation to remove any doubt as to the ongoing validity of the Pulp Mill Permit," Ms Giddings

said.

January 16 2014

<http://tasmaniantimes.com/index.php?/pr-article/lara-giddings1/>

ANZ has quietly offloaded its share of Gunns' debt in a move that critics say shows it was not confident about the prospects of a pulp mill sale. ANZ confirmed the sale yesterday, saying it was "no longer a part of the Gunns Ltd banking syndicate and not involved in providing financial support for the proposed Tamar Valley pulp mill". KordaMentha spokesman Mike Smith declined to name any creditors.

January 29 2014 [Examiner - Bank sells Gunns debt](#)

Q: The Premier's office showed KordaMentha a draft of the legislation

Answer : This is correct. When the legislation was foreshadowed in January, the receivers publicly offered to review the draft and said so in a letter to the Premier. The draft was sent to us on January 21, the same day it was made public. The Receivers did not suggest any amendments. The Receivers believed the legislation provided more certainty to potential investors and achieved the same purpose that KordaMentha suggested to the Government in September 2013, well before the sale process began. Bryan Webster of KordaMentha.

February 10 2014 [ABC - Did Tasmanian Premier's office give draft to pulp mill?](#)

The deadline for investors to bid for the permits to construct a mill is March 31 and Gunns receiver KordaMentha yesterday said six bidders were involved in the process at this stage. "This might take a few days or a few weeks depending on the complexity of the bids," a KordaMentha spokesman said.

March 25 2014 [Mercury - Six bidders involved in pulp mill permit process, says Gunns Ltd receiver KordaMentha, as March 31 deadline looms](#)

Monday is the deadline for final bids. KordaMentha spokesman Michael Smith expected all of the seven parties involved in the due diligence stage to make a final bid. Not all bids will include offers for the pulp mill. It's expected to take up to another two or three months to finalise the sale process and determine if the pulp mill will be sold. Mr Smith said receivers would assess the offers and choose a preferred bidder to continue negotiations.

March 27 2014 [Examiner - Pulp mill 'to attract' seven bids](#)

KordaMentha said six bidders had come forward. Four bidders are interested in the company's forestry assets, which also include nurseries, freehold land, laboratories and port access. Two are interested in the pulp mill permit. Whether those two bidders overlap is unclear. The bids will be analysed over the next few weeks before KordaMentha selects its preferred bidders.

April 02 2014 [Mercury - Two bidders for pulp mill licence](#)

Gunns receiver KordaMentha will select a preferred buyer for the assets of the failed timber company by the end of the month. KordaMentha spokesman Michael Smith said yesterday they would narrow the bids down to one next week or early the following week and begin negotiating the details. Environmental groups have called for bidders to be named, but Mr Smith said the preferred bidder would remain a secret until a sale agreement was finalised as it was important to maintain confidentiality during sensitive negotiations. He said no parties had been excluded yet. "Like any horse race, some horses are in the lead and some are trailing but no one's out of the race yet," Mr Smith said.

[April 19 2014](#) [Examiner - Decision due soon on buyer for Gunns](#)

Negotiations with two potential buyers of the former Gunns pulp mill permit will restart in mid-July. The deal is expected to be formally sealed by the courts on July 17, allowing negotiations with two possible pulp mill buyers to continue. "Both sides are ready to negotiate straight away," Mr Smith said. "I think we'll find out pretty early on which is the more serious."

[June 6 2014](#) [Advocate – Mill talks in the pipeline](#)

Receivers of the collapsed timber company Gunns Limited will launch a second campaign to sell the opportunity to build the Bell Bay pulp mill soon. A spokesman for KordaMentha said that the court decision cleared the way for New Forests to complete the transaction. "KordaMentha can now start negotiations with the parties who expressed interest in the pulp mill in the original process," the spokesman said.

[August 25 2014](#) [Mercury - Gunns Limited receivers in move to sell Bell Bay pulp mill opportunity](#)

KordaMentha's Michael Smith said he was hopeful a buyer for the controversial licence could be found after a similar process last year failed. He said the land and the licence could be sold separately. "We are now contacting people who expressed interest in the last round last year, as well as advertising for potential new buyers of the pulp mill licence, the land, or both," he said. "We are also putting it on the market as a land sale in case there's an Australian buyer who wants to use it for different purposes." Mr Smith said it was more likely an international buyer would be interested in both the land and the licence.

[April 22 2015](#) [ABC - Receivers in second bid to sell stalled Tamar Valley pulp mill project after Gunns collapse](#)

Korda Mentha's expression of interest process to sell the land and permits was to close today. The receiver's Mike Smith said he had extended a deadline for bids to make sure international bidders had a last chance. "Just in case there's people working through the night in North America or Europe, we'll give it to Monday our time, we'll see what's on the desk when the receivers arrive for work on Monday morning," he said.

[May 1 2015](#) [ABC - Tasmanian Premier concedes revival of Gunns pulp mill project 'increasingly](#)

unlikely'

Gunns receivers Korda Mentha say they have "multiple" bids for the failed timber company's remaining assets, including the pulp mill land and permits. KordaMentha spokesman Michael Smith said the pulp mill permits were advertised internationally, while the Tamar Valley site was advertised separately in Australia. Mr Smith said the expression of interest deadline was extended until this morning to allow for any time differences.

May 5 2015 [ABC - Multiple bids for Gunns assets keeps alive slim hope for Tamar Valley pulp mill, receivers say](#)

An international buyer for the multi-billion dollar pulp mill project in northern Tasmania has emerged. KordaMentha spokesman Mike Smith would not confirm the number of bids. "We're still in delicate negotiating period," he said. "What's happening at the moment is KordaMentha is going through the bids with a view to selecting a preferred bidder."

June 5 2015 [ABC - International interest raises prospect of pulp mill being built in northern Tasmania](#)

KordaMentha spokesman Michael Smith said offers closed last week, and the next step was to select a preferred bidder with whom they would negotiate. Mr Smith said they had received at least one bid for the site and permits together, as well as bids for the site on its own. He expected a sale would be finalised by early to mid-July.

June 6 2015 [Examiner - Bid on pulp mill permit](#)

Receivers for the failed timber company are no longer putting a timeline on the process to sell the permits and land for the Tamar Valley pulp mill. "Once the preferred bidder is selected, it won't take very long at all to get to signed contracts."

September 1 2015 [Examiner – Forest Contractors Fear Ruin](#)

Kordamentha spokesman Michael Smith said on Thursday that the receivers were still talking with two preferred bidders. "It's a long, slow process," Mr Smith said. "There's one [bidder] that they are talking to more intensely than the other. It's taking much longer than they thought – it's a pretty complicated asset."

February 4 2016 [Examiner – no sale Seen For Gunns](#)

