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We would like to update you in regard to a recent stock exchange announcement by Rubicon, Tenon Clearwood Limited Partnership's (TCLP) largest shareholder.

In that announcement Rubicon advised the market that subject to shareholder approval (expected to be in mid-January 2018), it has agreed to sell its remaining 45% shareholding in TCLP. The proposed buyers are Dorset Management Corporation and Libra Partners NZ, LLC, who in aggregate own 46% of Rubicon and who will each acquire 20% percent of TCLP, with the existing owners of TCLP taking the remaining 5% percent.

The rationale for the Rubicon move is twofold – firstly, it will allow TCLP to be 100% owned in the private market. This has the advantage of ensuring the unique nature of our key customer relationships and product development plans are kept confidential, and out of the public market environment. In addition, it will place TCLP into a very well-funded ownership structure, with a group of like-minded investors who are keen to commit capital and resource to the business in order to see it grow and expand in its core Clearwood mandate. The business will be well-placed for the future. Secondly, once completed, the transaction will then allow Rubicon to focus on its 100% owned ArborGen, a leading advanced genetics, global forestry business.

There will be no impact to the day to day operations of TCLP as a result of this announcement. The Taupo processing site will continue to focus on the production and delivery of clearwood products to our valued European and USA customers. There will be no changes in personnel as a result of this transaction, and all our people will continue the high standard of product quality and on-time delivery that we have maintained with you for many years, and for which our business is well known.

Once again we would like to thank you for your on-going support, and we look forward to continuing to grow our relationship and mutual business with you in the future. As always, should you have any questions you would like to ask please feel able to reach out directly to either Mark or me, and we would be more than happy to address them with you.

Yours sincerely

A handwritten signature in black ink, appearing to be "L. Moriarty".

Luke Moriarty  
Chairman and CEO  
Tenon Clearwood LP

A handwritten signature in black ink, appearing to be "M. Taylor".

Mark Taylor  
General Manger Taupo  
Tenon Clearwood LP