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ASX Release

Commencement of trading to China

TFS Corporation Ltd (“TFS”, “the Company”, ASX: TFC), the world's largest owner and manager of commercial Indian sandalwood plantations, has received the first cash payment for the supply of processed wood to China.

TFS today received US\$2.25 million as full payment-in-advance for the first shipment of Indian sandalwood which is scheduled to depart Fremantle on 30 September. Subsequent deliveries under the Company’s five-year agreement to supply 150 tonnes per annum of processed heartwood to China are expected to occur monthly.

TFS Managing Director, Frank Wilson, said, “Our first shipment to China of Indian sandalwood, recently harvested from our plantations in Western Australia, is an important milestone for our business. We now supply our processed wood and oil products to all the major markets in the world, including Europe, the US, India and now China under five major multi-year supply agreements.”

“We have forward sold the vast majority of our harvests over the next five years at attractive prices and this demonstrates the significant global demand for legal, sustainable and authentic Indian sandalwood.”

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ABOUT TFS

TFS Corporation Ltd ("TFS", ASX: TFC) is an owner and manager of Indian sandalwood plantations in northern Australia. As part of its vision to be a vertically integrated producer of sandalwood products, TFS owns a significant proportion of the plantations in its own right. TFS also operates sandalwood processing and oil distribution facilities in Albany, Western Australia, and a pharmaceutical product development business in San Antonio, US.

TFS was originally founded to exploit the success of government trials into the plantation growth of Indian sandalwood in the Ord River Irrigation Area (ORIA) of north-east Western Australia.

TFS now manages the largest area of commercial Indian sandalwood plantations in the world, with over 12,000 hectares planted of which TFS owns directly and indirectly over 3,600 hectares. TFS plantations are managed on behalf of both institutional, sophisticated and MIS investors.

In 2014, TFS completed its first commercial harvest of its Indian sandalwood plantations and, via its subsidiary Santalis Pharmaceuticals Inc., entered into a supply agreement for pharmaceutical grade oil with Galderma, a leading global dermatology company wholly owned by Nestle. TFS now has significant and multi-year contracts in place with a number of global companies across pharmaceutical, cosmetic and wood markets.

TFS's pharmaceutical division, Santalis Pharmaceutical, has four products in FDA approved Phase 2 trials. All products contain TFS's pharmaceutical grade Indian sandalwood oil and treat psoriasis, molluscum contagiosum, eczema and oral mucositis.

The company listed on the Australian Stock Exchange in December 2004. Since March 2014, TFS has been an ASX300 company.

TFS is committed to adopting and maintaining the highest environmental and ethical standards in all aspects of its business.

ABOUT INDIAN SANDALWOOD

Indian sandalwood has a history as a tradeable commodity spanning thousands of years, but is now endangered due to the illegal harvest of wild trees throughout the world. As a result, Indian sandalwood is the world's most expensive tropical hardwood which continues to increase in price each year.

Indian sandalwood oil is a globally important ingredient in fine fragrances, cosmetics and toiletries, Indian consumer products and for medicinal purposes (Ayurvedic and Chinese medicine) and the wood is used for high quality carvings and artefacts and religious worship in the Hindu and Buddhist faiths. The efficacy of Indian sandalwood is being tested by US dermatology companies for a range of skin conditions and the global pharmaceutical market has the potential to be a significant consumer of Indian sandalwood oil.