

26 June 2009

The Manager  
Company Announcements Platform  
Australian Stock Exchange  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

RE: MIS Sales for FY2009

In our Company Announcement of 27 May 2009, Forest Enterprises Australia Limited (ASX: FEA) referred to the lack of certainty about FY09 revenue from forestry investment sales made by FEA Plantations Ltd. The Directors of FEA have today announced that based on forestry investment sales to date, FY09 sales are likely to be significantly less than the \$60 million achieved in FY06 and FY07 (as mentioned in the 27 May release). These lower than expected sales for FEA Plantations Project 2009 are attributable to external factors beyond the control of the Company.

However, FY09 revenues from timber sales and plantation establishment are expected to exceed those from FY08.

Consistent with prior years, the Company will release the final sales value early in July.

“FEA believes FEA Plantations Project 2009 is an excellent and competitively-priced product,” said FEA Chief Executive Officer Andrew White.

“In addition we have been able to demonstrate quality returns and growth rates for our earlier forestry investment projects.

“FEA remains committed to offering future high quality forestry investments that offer benefits to investors – and to Australia’s continuing demand for plantation timber products.

“FEA’s vertically integrated strategy incorporating both plantation forestry and forest products processing and marketing, solid history of performance and sustainable managed forestry investment business model are all benefits which we believe will be received positively by future investors,” said Andrew.

**For further information:**

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