



30 September 2005

BSX Announcements Office

Bendigo Stock Exchange Limited

Email: announcements@bsx.com.au

QUEENSLAND PAULOWNIA FORESTS LIMITED (BSX CODE QPFG)

Queensland Paulownia Forests Limited (QPFL) advises there has been a breach of the conditions of its Australian Financial Services (AFS) licence and hence a breach of the *Corporations Act 2001 (Act)*.

The breach was a result of the calculation of required net tangible assets under the conditions of the AFS licence. QPFL considers the breach is technical and as a result of the application of accounting principles applicable to securitisation transactions.

QPFL has notified ASIC of the breach pursuant to the Act.

There has been no financial loss or other impact suffered by investors in QPFL's registered managed investment schemes, nor shareholders or convertible noteholders in the company, as a result of the breach.

QPFL confirms it is in compliance with the BSX listing rules and in particular listing rule 3.1.

Yours faithfully

David Gold

DIRECTOR

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