

**Media Release****May 10, 2005****GOOD NEWS FOR QUEENSLAND FORESTRY INVESTORS IN FEDERAL BUDGET**

Queensland Paulownia Forests Limited (QPFL) has welcomed Federal Government confirmation that new forestry Managed Investment Schemes (MIS) will remain tax effective until at least 30th June 2008

Yesterday's Federal Budget outlined a plan to hold further industry consultations regarding possible new tax arrangements for plantation forestry after 1 July 2008, in the wake of a year-long review.

QPFL praised the government firstly for not changing the tax effective nature of forestry projects and secondly for recognising that boutique forestry projects carried higher costs and was therefore considering treating them as a separate category within forestry agribusiness.

QPFL Deputy Chairman and Managing Director Stephen van der Mye said the statement from the Treasury yesterday seemed to have both the interests of investors and plantation companies in mind.

"It is great to see the Government talking about certification of MIS companies to ensure best practice in forestry and recognising the difference between a niche product like Paulownia and a mass market commodity such as woodchip," Dr van der Mye said.

"This can only lead to an even more successful timber plantation industry which will offer investors better returns."

Dr van der Mye said this decision, combined with the superannuation tax breaks for those over 60 announced last night, had been received very favourable by investors, financial planners and the forestry industry generally.

QPFL has just launched three new tax effective investment products following on from the million plus trees it is growing on seven plantations in Queensland and New South Wales.

The company completed its first commercial harvest last year and purchased a timber mill to process Paulownia. QPFL has a long term strategy to become the first seedling to end product Paulownia producer. A report commissioned from BIS Shrapnel has shown massive potential in the mouldings and door cores markets as well as being a viable substitute for imported timbers such as Western Red Cedar.

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To receive a copy of the Product Disclosure Statement please contact QPFL 1800 882228 or visit the website www.qpfl.com.au QPFL's Product disclosure Statement sets out the full terms and conditions of their projects and should be considered in full before any investment is made.