



22 May 2006

**Announcement to BSX**


**Queensland Paulownia Forests Ltd (BSX Code QPFG)**

In September 2005 QPFL advised the Bendigo Stock Exchange that there had been a breach of conditions of its Australian Financial Services (AFS) Licence.

The breach related to the technical definition of the required net tangible assets under the conditions of the AFS Licence. Whilst there was no financial or other impact on investors in QPFL, the company spent considerable time with its advisors to resolve this technical breach.

QPFL is pleased to announce that the Net Tangible Asset matter has been resolved and ASIC has been notified of this and that the company is no longer in breach of its AFS Licence.

Yours faithfully,  
**QUEENSLAND PAULOWNIA FORESTS LIMITED**



**Elizabeth Hutchinson**  
**DIRECTOR**