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BSX Announcements Office
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QUEENSLAND PAULOWNIA FORESTS LIMITED QUEENSLAND PLANTATIONS

In 2003 QPFL's Project Forester advised its growers that, in relation to its Queensland operations, natural events had seriously affected productivity. At a meeting of growers in November 2003 it was resolved by the growers to adopt a flexible harvesting regime with the intention of maximising overall returns.

Given the continuing drought in Queensland, QPFL is currently assessing the effect it has had on the drought affected Queensland plantations. It is expected that a detailed overview as to the Queensland plantations generally will be available in the coming months.

An initial internal assessment at QPFL's property at Austin Downs in Queensland indicates there is a lower than expected survival rate of trees on the property. The Board is commissioning a report to investigate the issue.

Some of this area at Austin Downs was also affected by a hail storm that is currently the subject of an insurance claim.

Yours faithfully

QUEENSLAND PAULOWNIA FORESTS LIMITED

Elizabeth Hutchinson

DIRECTOR COMPLIANCE AND ADMINISTRATION