

THIS IS THE SECOND SUPPLEMENTARY PROSPECTUS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 3 DECEMBER 2003 AND THE FIRST SUPPLEMENTARY PROSPECTUS DATED 30 JANUARY 2004 (TOGETHER REFERRED TO AS "PROSPECTUS") ISSUED BY QUEENSLAND PAULOWNIA FORESTS LIMITED ACN 071 625 477

CONVERTIBLE NOTES ISSUE

This Second Supplementary Prospectus is dated and was lodged with ASIC on 19 March 2004. Neither ASIC nor the BSX takes any responsibility as to the contents of this Second Supplementary Prospectus.

Defined terms in the Prospectus have the same meaning in this Second Supplementary Prospectus.

Minimum Subscription

QPFL advises investors minimum subscription has been reached and the first Notes will be issued to investors in accordance with the Trust Deed. QPFL anticipates Notes will be issued within seven days of the date of this Second Supplementary Prospectus.

Conditions precedent

QPFL also advises that the condition precedent requiring the execution of the security documents required by the Trustee has now occurred.

Term of Offer

Although minimum subscription has been reached, QPFL intends to keep the offer under the Prospectus open (but not beyond 3 January 2005 being 13 months following the date of the original prospectus). This means once the Notes are quoted, there will effectively be two sources from which the Notes can be acquired – that is, they can be applied for and issued by QPFL pursuant to the Prospectus (primary market) or purchased through the BSX (secondary market).

QPFL advises the simultaneous operation of the primary market and the secondary market, although in its view, not materially adverse to investors, will have an impact on the price at which the Notes can be acquired during the offer period. In particular, investors should note the following:

- Sellers of Notes in the secondary market may not achieve a higher price than \$1.00 per Note, being the offer price under the Prospectus, during the period the Prospectus is open.
- Purchasers of Notes on the secondary market may pay a price higher than the issue price of the Notes, but may also be able to pay a lower price on that market if a willing vendor wishes to sell.
- The simultaneous operation of a primary and secondary market will only exist whilst the Prospectus is open.

Offer dates

The indicative offer dates in the table on page four of the Prospectus are amended as follows:

- Offer closes (Closing Date) 3 January 2005
- First issue of Notes (Issue Date) By 26 March 2004

These amended dates are indicative only and are subject to change.

Quotation of Notes

QPFL confirms it has applied for the Notes to be quoted on the BSX and expects the Notes will be quoted within 14 days of the date of this Second Supplementary Prospectus. This is the same timing disclosed in the first supplementary prospectus.

In order to have the Notes quoted, QPFL has applied for waiver and relief respectively from the BSX from the following rules:

THIS IS THE SECOND SUPPLEMENTARY PROSPECTUS TO BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 3 DECEMBER 2003 AND THE FIRST SUPPLEMENTARY PROSPECTUS DATED 30 JANUARY 2004 (TOGETHER REFERRED TO AS "PROSPECTUS") ISSUED BY QUEENSLAND PAULOWNIA FORESTS LIMITED ACN 071 625 477

- Listing rule 2.1 which requires an entity to apply for its main class of securities to be quoted. As the Notes are not QPFL's main class of securities, a waiver of this rule by the BSX will be required prior to quotation.
- Listing rule 5.2 which provides a listed entity cannot issue securities equal to more than 15 percent of the existing issued securities in any 12 month period. As the offer under the Prospectus will remain open until 3 January 2005 (or until the offer is fully subscribed), more than 15 percent of the already issued Notes could be issued by QPFL over a 12 month period and so relief from this rule will need to be granted by the BSX.

QPFL expects the waiver and relief will be granted by the BSX.

Directors' Statements and Certification

To the best of the knowledge and belief of the directors of Queensland Paulownia Forests Limited, who have taken all reasonable care to ensure such is the case, the information contained in the Prospectus, when combined with this Second Supplementary Prospectus, is in accordance with the facts and does not omit anything likely to affect the accuracy of such information. Each director of Queensland Paulownia Forests Limited has consented to lodgement of this Second Supplementary Prospectus with ASIC.

Signed by Elizabeth Hutchinson (as a director of Queensland Paulownia Forests Limited) pursuant to Section 351 of the Corporations Act



#36436