

Queensland Paulownia Forests Limited
Australian Financial Services Licence 222305



30 June 2004

QPFL SIGNS 3 YEAR UNDERWRITING AGREEMENT

Queensland Paulownia Forests Limited (QPFL) today signed an underwriting agreement with a London based Investment Trust. This ensures QPFL will attain targeted woodlot sales annually for the next three years commencing with the 2004 financial year-end.

The effect of this agreement gives QPFL investors more certainty in the future financial results and strength of the company.

QPFL expects to have additional income streams in 2004/2005, namely by the selling of lucerne and income from timber marketing and timber sales. Lucerne, which is grown between tree rows on the QPFL property at Forbes, NSW adds valuable nitrogen and conserves moisture in the soil. This income will further strengthen the company's financial performance.

Recently QPFL received a forward order for timber milled from approximately 900 trees belonging to the company. The price achieved in this forward sale equates to a price in excess of \$1,000 per cubic metre for rough sawn timber. The sales price achieved in the forward order exceeds the current day price of Paulownia timber as set out in the current Product Disclosure Statement for QPF Project 8, which quotes an expected market price for Paulownia timber at \$975 per cubic metre (rough sawn).

QPFL has made preliminary inquiries about listing on the London Stock Exchange's AIM Market. The company is considering working towards a listing in the 2004/2005 financial year, but as there will be a number of regulatory requirements to be complied with, no target listing date has yet been set. The company is in a very attractive position with virtually no debt, predictable future income with the potential for additional income, making it an exciting business for shareholders. A listing will trigger the conversion options in favour of QPFL's note holders and will also provide re-assurance to the company's shareholders and managed woodlot clients of QPFL's financial strength, security and stability going forward.

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