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NEW FORESTS COMPANY BEGINS OPERATIONS IN RWANDA

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Kigali, February 14 2012 - The New Forests Company today announced it was starting sustainable forestry operations in Rwanda after completing a major forest concession agreement with the government of Rwanda.

Under the concession and lease agreement the company will be able to access 25,000 acres of mature planted timber and approximately three million tonnes of mature wood.

Minister of the Environment Stanislas Kamanzi formally indicated in writing to the company that the agreement between NFC and the government, originally signed in July 2011, had become effective immediately.

The move extends the company's operations to its fourth African country after Uganda, Tanzania and Mozambique and consolidates NFC as the leading sustainable forestry company in Eastern Africa.

The agreement, which lasts for 49 years, gives NFC the right to harvest almost 10,000 ha (25,000 acres) of pine, cypress, eucalyptus and acacia planted as a buffer zone around the Nyungwe National Forest in the southwest of the country as a means of protecting the natural indigenous forest. Most of the man-made trees are fully mature and were planted in the early to mid 1970s. Once the existing timber is harvested, the company will replant the land under a lease agreement.

The company plans to establish a series of processing plants to manufacture value added wood products for the construction and house building industry; electricity transmission poles; and bio-energy - both for the local Rwandan and for the regional East African market.

The Rwandan forest adds 10,000 ha to the Group's existing planted forest area of 17,000 ha giving NFC control over 27,000 ha of planted timber in various age classes and making NFC the biggest plantation forestry company in East Africa.

"This agreement has been sometime in the making but I am delighted that we have reached a successful conclusion and can begin work in earnest immediately tomorrow," said Mr Julian Ozanne, Group CEO. "This is a strategic leap forward for the company giving us access to a magnificent mature planted forest which will accelerate the company's growth and boost the current focus on revenue generation.

"We have had wonderful support throughout government and directly from His Excellency President Paul Kagame and we are looking forward to participating in the investment success story that is Rwanda."

Under the agreement both the Rwanda Social Security Board (the state pension fund) and the Rwanda Development Bank will be equity shareholders in the project.

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