



ASX RELEASE

20 January 2012

FURTHER LAND ACQUISITIONS AND UPDATE

TFS Corporation Ltd (TFS) (ASX Code – TFC) has entered into a contract to purchase the farming property known as “Midway Station” in the Katherine region of the Northern Territory for \$4,450,000.

The property covers a gross area of 2,910 hectares of which TFS believes approximately 1,000 hectares will be developed for Indian Sandalwood plantations. The property has access to the Olloo Dolostone aquifer.

The Northern Territory land acquisitions, along with our recent Northern Queensland land purchases, represent a continuing move by TFS to diversify its land base outside the traditional Ord River Irrigation Area around Kununurra, Western Australia. TFS has also targeted other significant areas to source land within northern Australia.

Furthermore, in response to the recent fall in the price of its shares since the 3rd January ASX release, TFS confirms that the business continues to be in a sound financial position and continues to be confident of meeting the company’s previously stated objectives.

The next ASX Release is scheduled to be the half year results for FY12 which is due to be released in late February

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ABOUT TFS

TFS Corporation Ltd (ASX: TFC) is an owner and manager of Indian sandalwood plantations in the east Kimberley region of Western Australia. As part of its vision to be a vertically integrated producer of finished sandalwood products, TFS owns a significant proportion of the plantations in its own right and in 2008 acquired Mount Romance Australia (Mount Romance), the Albany-based sandalwood processor and oil distributor.

TFS was founded in 1997 to exploit the success of government trials into the plantation growth of Indian sandalwood in the Ord River Irrigation Area (ORIA) of north-east Western Australia.

TFS's first planting was in 1999 and it now manages the largest area of Indian sandalwood plantation in the world, with approximately 5,000 hectares planted. TFS plantations are managed on behalf of both retail and institutional investors.

The company listed on the Australian Stock Exchange in December 2004.

TFS is committed to adopting and maintaining the highest environmental and ethical standards in all aspects of its business. All plantations are grown on land that has previously been used for agricultural or horticultural production. As the first ORIA land owner to recycle its water, TFS was the winner of the 2006 State Regional Water Award.

In 2009, TFS entered the prestigious Forbes Asia Pacific's '*Best Under a Billion*', which recognises the Top 200 companies from more than 25,326 publicly-listed firms in the Asia/Pacific region with revenue of less than US\$1 billion.

ABOUT INDIAN SANDALWOOD

Indian sandalwood has a history as a tradeable commodity spanning thousands of years, but is now endangered due to the illegal harvest of wild trees throughout the world. As a result, Indian sandalwood is the world's most expensive tropical hardwood and continues to increase in price each year. Its heartwood currently trades for in excess of A\$110,000 per tonne, having risen at a compounded rate of over 18% per annum over the past 18 years.

Indian sandalwood oil is a globally important ingredient in fine fragrances, cosmetics and toiletries, incense sticks, and for medicinal purposes (aromatherapy and Chinese medicine) and the wood is used for high quality carvings.

Indian sandalwood has a well entrenched market throughout the world, particularly in India and China, two of the fastest growing economies in the world.