



Sino-Forest Corporation

FOR IMMEDIATE RELEASE

Sino-Forest Signs Long-term Standing Timber Agreement in Guangxi Province

TORONTO, CANADA – December 10, 2007 -- Sino-Forest Corporation (“Sino-Forest”) (TSX:TRE and TRE.S), a leading commercial forestry plantation operator in China, is pleased to announce the signing of an agreement to acquire 150,000 hectares of plantation trees in Guangxi Province through Sino-Panel (Asia) Inc. (“Sino-Panel”), its wholly-owned subsidiary. The Master Agreement for Acquisition of Pine and Fir Forest (“Agreement”) is with Zhanjiang Bo Hu Wood Company Limited (“Bo Hu”), which will act as the authorized agent for the original plantation rights holders.

Under the Agreement, Sino-Panel will, through the PRC subsidiaries of Sino-Forest, purchase 150,000 hectares of Chinese fir and pine trees in Guangxi Province with a price not to exceed RMB380 per cubic meter (m³) or approximately US\$51.40 per m³ over a 5-year period. The plantations under Agreement include mature trees with an estimated wood fibre yield of 100 m³ to 120 m³ per hectare, or an aggregate 15 million m³ to 18 million m³ of wood fibre. In addition to securing the tree acquisition price, Sino-Panel has pre-emptive rights to lease land at a price not to exceed RMB525 per hectare per annum for 30 years. The land lease is up to 50 years as permissible under the PRC laws and regulations after harvesting. The specific terms and conditions of such purchase or lease are to be determined upon the execution of definitive agreements between the PRC subsidiaries of Sino-Forest and Bo Hu upon the authorisation of the original plantation rights holders, and subject to compliance with the relevant PRC laws and regulations.

Sino-Forest Chairman and CEO Allen Chan said, “We are very pleased to be able to lock-up a significant volume of standing timber and secure this long-term lease in Guangxi given the area is becoming more expensive in this strategic location in the southern coastal region of PRC and the favorable climate and rich soil are conducive to generating fast-growing, high-yield species. Harvested land will be re-planted with eucalyptus and we are confident that we could attain an average yield of 150 m³ after a 6-year cycle. Moreover, we have a 12-year track record of growing eucalyptus and operating successfully in this region.”

Guangxi is becoming one of the key provinces in PRC as it is close to the port of Beihai – one of the State Council’s approved and established Export Processing Zones (“EPZ”). In addition, Beihai is one of the few key ports located in south-China, close to nearby ASEAN (Association of Southeast Asian Nations) countries, benefiting from favourable tax incentives of importation and re-exportation to other countries. Prior to this Agreement, Sino-Forest had approximately 129,000 hectares of plantation in Guangxi under management as of third quarter 2007.

Mr. Chan added, “Sino-Forest has acquired 5.5 hectares of land with an estimated covered area of 100,000 square metres in Beihai’s Export Processing Zone, which could accommodate engineered-wood production and other value-added processing. The strategic location of this facility in the EPZ synergies with our domestic plantation fibre and imported timber from nearby countries then process into high-quality, engineered-wood products, and sell to domestic markets or export to other countries.”

About Beihai and the Export Processing Zone in Guangxi

Beihai's strategic geographic position is becoming increasingly important and distinct in the economic development of China's southwest and the Asia-Pacific region. In 1984, Beihai became one of the first of 14 coastal port cities to further open its businesses to the world trade.

An Export Processing Zone (EPZ), which is somewhat similar to free trade zones are economic or development areas of a developing country, where tariffs and quotas are eliminated or reduced and bureaucratic requirements are lowered so as to attract additional business and foreign investments. China's EPZs are approved by the State Council and supervised by Customs. Goods may be brought into these zones without formal declarations having to be made or the need for payments of duties on goods that are being re-exported after processing.

Trade between Guangxi and the ASEAN has expanded; Guangxi's exports to Vietnam, Indonesia and Singapore has accounted for 77.5%, 6.5% and 4.9% respectively of total export to ASEAN, and imports to Guangxi from Vietnam, Singapore and Thailand have accounted for 87.3%, 3.6% and 3.4% respectively of total imports from ASEAN.

About Sino-Forest Corporation

Sino-Forest Corporation, a Canadian company, is a leading commercial forestry plantations operator in China. The company started its operations in 1994 and is the first foreign and privately managed operator involved in forest products in China. Its principal businesses include the ownership and management of forestry plantation trees and sales of standing timber, wood logs, and complementary manufacturing of downstream engineered-wood products. The Corporation's common shares trade on the Toronto Stock Exchange under the symbol TRE since 1995.

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Please note: This press release contains projections and forward-looking statements regarding future events. Such forward-looking statements are not guarantees of future performance of the Company and are subject to risks and uncertainties that could cause actual results and company plans and objectives to differ materially from those expressed in the forward-looking statements. Such risks and uncertainties include, but not limited to, changes in China and international economies; changes in currency exchange rates; changes in worldwide demand for the Company's products; changes in worldwide production and production capacity in the forest products industry; competitive pricing pressures for the Company's products and changes in wood and timber costs. All amounts in US dollars are translated at a rate of RMB7.39 to US\$1.00.

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