



FOR IMMEDIATE RELEASE

Sino-Forest Signs Long-term Tree Acquisition Agreement in Jiangxi Province

TORONTO, CANADA, June 11, 2009 – Sino-Forest Corporation (TSX: TRE), a leading commercial forest plantation operator in China, announced today that its wholly-owned subsidiary, Sino-Panel (China) Investments Limited (“Sino-Panel”), has entered into a Master Agreement for the Purchase of Pine and Chinese Fir Plantation Forests (the “Jiangxi Master Agreement”) with Jiangxi Zhonggan Industrial Development Company Limited (“Jiangxi Zhonggan”), which will act as the authorized agent for the original plantation rights holders.

Under the Jiangxi Master Agreement, Sino-Panel will, through PRC subsidiaries of Sino-Forest, acquire between 15 million and 18 million cubic metres (m³) of wood fibre located in plantations in Jiangxi Province over a three-year period with a price not to exceed RMB300 per m³, to the extent permitted under the relevant PRC laws and regulations. The plantations in which such amount of wood fibre to acquire is between 150,000 and 300,000 hectares to achieve an estimated average wood fibre yield of approximately 100 m³ per hectare, and include tree species such as pine, Chinese fir and others. Jiangxi Zhonggan will ensure plantation forests sold to Sino-Panel and its PRC subsidiaries are non-state-owned, non-natural, commercial plantation forest trees.

In addition to securing the maximum tree acquisition price, Sino-Panel has pre-emptive rights to lease the underlying plantation land at a price, permitted under the relevant PRC laws and regulations, not to exceed RMB450 per hectare per annum for 30 years from the time of harvest. The land lease can also be extended to 50 years as permitted under PRC laws and regulations. The specific terms and conditions of purchasing or leasing are to be determined upon the execution of definitive agreements between the PRC subsidiaries of Sino-Panel and Jiangxi Zhonggan upon the authorisation of original plantation rights holders, and subject to the requisite governmental approval and in compliance with the relevant PRC laws and regulations.

Sino-Forest Chairman and CEO Allen Chan said, “We are fortunate to have been able to capture and support investment opportunities in China’s developing forestry sector by locking up a large amount of fibre at competitive prices. The Jiangxi Master Agreement is Sino-Forest’s fifth, long-term, fibre purchase agreement during the past two years. These five agreements cover a total plantation area of over one million hectares in five of China’s most densely forested provinces.”

Mr. Chan added, “Plantation forests in Jiangxi have been generally underproductive despite favourable tree growing conditions. We are confident that our 14-year proven track record and our silviculture expertise will allow us to significantly improve current low wood fibre yield, and improve the livelihoods of local farmers.”

Net proceeds from the recently closed Cdn\$380 million bought deal offering will be used primarily for the acquisition of standing timber in Jiangxi Province and for general corporate purposes.

Jiangxi Province is located in south-eastern China between Hunan and Fujian, where Sino-Forest already has significant plantation operations. Favourable climate and fertile soil in Jiangxi are quite suitable for growing five to eight years short cycle fast-growing species such as eucalyptus, poplar, acacia and other species. One of Sino-Forest’s core competencies is growing eucalyptus and other short cycle fast-growing species, and its scientific silviculture expertise should help Jiangxi’s government strive to achieve its goals of achieving forest coverage of 63% from current 60% with forest stock volume of 750 million m³.

About Sino-Forest Corporation

Sino-Forest Corporation (the "Company") is a leading commercial forest plantation operator in China. Its principal businesses include the ownership and management of forest plantation trees, the sale of standing timber and wood logs, and the complementary manufacturing of downstream engineered-wood products. The Company's common shares have traded 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 are not limited to: changes in China's and international economies and in currency exchange rates; changes in market supply and demand for the Company's products, including global production capacity and wood product imports into China; changes in China's political and forestry policies; changes in climatic conditions affecting the growth of the Company's trees; competitive pricing pressures for the Company's products; and changes in wood acquisition and operating costs.

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