



FOR IMMEDIATE RELEASE

Sino-Forest Signs Long-term Master Agreements to Acquire 266,000 Hectares of Plantation Forests in Shaanxi and Yunnan Provinces

TORONTO, CANADA, May 30, 2011 – Sino-Forest Corporation (TSX: TRE) (“Sino-Forest”), a leading commercial forest plantation operator in China, announced today that certain PRC subsidiaries of its wholly-owned subsidiary, Sino-Panel (China) Investments Limited (“Sino-Panel”), have entered into master agreements (the “**Master Agreements**”) for the purchase of plantation forests in Shaanxi and Yunnan provinces with Bolin Forestry Co., Ltd. and Yuangao Forestry Development Co., Ltd., respectively, who will act as the authorized agents for the original forest rights holders.

Under the Master Agreements, Sino-Panel will, through its PRC subsidiaries, acquire approximately up to 200,000 hectares and 66,000 hectares of matured (25 – 50 years old) plantation forest in Shaanxi and Yunnan provinces, respectively. The average yield for both areas is approximately 90 cubic metres (“m³”) per hectare. The fibre acquisition is expected to take place over a ten-year period at a price not to exceed RMB320 (US\$49) per m³ to the extent permitted under the relevant PRC laws and regulations. The tree species are different kinds of pine, fir and other species including birch, spruce and cedar.

In addition, in order to secure land for long-term replanting, Sino-Panel, through its PRC subsidiaries, has pre-emptive rights to lease the underlying plantation land at a price, as permitted under the relevant PRC laws and regulations, not to exceed RMB525 (US\$90) 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 the authorized agent upon the authorisation of original plantation rights holders, and subject to the requisite governmental approval and compliance with the relevant PRC laws and regulations.

Sino-Forest Chairman and CEO Allen Chan said, “Late last year, we announced our intention to enter into agreements to acquire fibre on 300,000 hectares in central and western regions of China with payment to be made over five years. After negotiating the details of the terms, we decided to revert back to the master agreements’ structure of “pay-as-we-acquire” as we believe that it offers Sino-Forest more financial and operational flexibility. From a financial perspective, the requirement to pay 30-year lease amounts up front under the proposed new structure impacted our expected returns.”

“From an operating perspective, we are committed to long-term sustainable replanting, and securing the right location for replanting is paramount for Sino-Forest to achieve attractive long-term fibre growth and yields. Therefore, we were not prepared to lock in land in new regions without having certainty about the growing conditions, which is achieved through trial replanting,” added Mr. Chan. He concluded, “Wood fibre is becoming an increasingly valuable commodity in China. Accordingly, Sino-Forest intends to continue to strategically expand its plantations geographically in a sustainable and economically viable manner. We also plan to increase our fibre inventory through the accelerated replanting of up to 200,000 hectares over the next two to three years.”

Shaanxi Province is situated in the heart of central China, neighbouring Sichuan, Hubei, and five other provinces. Shaanxi has rich and diversified ecological plantation resources. It has a forest area of 8.5 million hectares and a forest coverage rate of 41.4%. According to China’s 12th Five-Year Plan, Shaanxi expects to expand its forestry coverage to 43% by 2016 and has an annual allowable cut of approximately 6.3 million m³ per annum. The province is relatively less affluent than China’s coastal regions, but it has enjoyed high GDP growth over the last five years, and is expected to continue to grow strongly. Sino-Forest’s long-term vision is to develop regional wood markets in strategic forest areas. We

believe that establishing an operational foothold in Shaanxi will support sustainable plantation development, enhance local employment, and present other attractive business opportunities.

Note: As of May 30, 2011, the USD/Renminbi noon exchange rate published by the Bank of Canada is USD1.00:RMB6.48.

About Sino-Forest Corporation

Sino-Forest Corporation is a leading commercial forest plantation operator in China. Its principal businesses include the ownership and management of tree plantations, the sale of standing timber and wood logs, and the complementary manufacturing of downstream engineered-wood products. Sino-Forest also holds a majority interest in Greenheart Group Limited, a Hong Kong-listed investment holding company (HKSE: 00094) with operations based in Suriname, South America and New Zealand, which is involved in responsible and sustainable log harvesting, lumber processing and sales and marketing of logs and lumber products to China and other countries around the world. Sino-Forest's common shares have been listed on the Toronto Stock Exchange under the symbol TRE since 1995. Learn more at www.sinoforest.com.

FOR FURTHER INFORMATION PLEASE CONTACT:

SINO-FOREST CORPORATION

Toronto

Dave Horsley

- Senior Vice President & Chief Financial Officer

Tel: +905 281 8889

Email: davehorsley@sinoforest.com

Hong Kong

Louisa Wong

- Senior Manager, Investor Communications & Relations

Tel: +852 2514 2109

Email: louisa-wong@sinoforest.com

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