

## **FOR IMMEDIATE RELEASE**

### **SINO-FOREST RESPONDS TO REQUEST TO COMMENCE ACTION AGAINST CERTAIN INSIDERS AND OTHERS**

**TORONTO, CANADA, October 14, 2011** – Sino-Forest Corporation (TSX: TRE) (“Sino-Forest” or the “Company”) announced today that it has received a request on behalf of a purported shareholder of the Company, asking the Company to commence legal proceedings against certain Company employees who are subject to a cease-trade order first made by the Ontario Securities Commission on August 26, 2011, against one of the Company’s service providers, and against other unidentified persons or entities. The request indicated that, if the Company does not agree to commence legal proceedings as demanded, the purported shareholder may seek court approval to commence such proceedings in the name of the Company.

On June 3, 2011, Sino-Forest announced that it had established a committee of Independent Directors to review allegations contained in a “report” issued under the name Muddy Waters, LLC. The Independent Committee’s work is ongoing. The Independent Committee has indicated that, while it continues to believe that its review process will be completed prior to the Company’s year end, its second interim report to the Board of Directors will be somewhat later than previously announced, and is expected to be delivered by early to mid November.

The request on behalf of the purported shareholder raises issues that fall within the scope of review of the Independent Committee. The Board has therefore requested that the Independent Committee consider the merits of the claims asserted by the purported shareholder and recommend to the Board what steps, if any, the Company should take in response to the requests of the purported shareholder.

#### **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](http://www.sinoforest.com).

**FOR FURTHER INFORMATION PLEASE CONTACT:**

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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.