



Sino-Forest Corporation

FOR IMMEDIATE RELEASE

Sino-Forest Signs Long-term Master Agreement to Acquire Trees in Guizhou Province

TORONTO, CANADA, January 28, 2010 – Sino-Forest Corporation (TSX: TRE) (“Sino-Forest”), a leading commercial forest plantation operator in China, announced today that its wholly-owned subsidiary, Sino-Panel (China) Investments Limited has entered into a Master Agreement for the Purchase of Pine and Chinese Fir Plantation Forests (the “Guizhou Master Agreement”) with Guizhou Sen Li Industry Company Limited (“Guizhou Sen Li”), which will act as the authorized agent for the original forest rights holders.

Under the Guizhou Master Agreement, Sino-Forest will, through its PRC subsidiaries, acquire between 10.5 million and 16.5 million cubic metres (m³) of plantation wood fibre, within an area of 150,000 hectares of plantation trees that has an average yield of 70 to 110 m³ per hectare. The fibre acquisition will take place 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 tree species include pine, Chinese fir and others. Guizhou Sen Li will ensure that the commercial plantation forests sold to Sino-Forest are non-state-owned and not from natural forests.

In addition to securing the maximum tree acquisition price, Sino-Forest 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 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-Forest and Guizhou Sen Li 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 very pleased to have signed our sixth master agreement, which provides us now with access to a total of 902,000 hectares of wood fibre and timber land, excluding the 348,000 hectares of trees acquired year-to-date through previous agreements. The acquisition will be funded by proceeds from the approximately US\$815 million raised from the recent convertible note and equity offerings. Our business and operational plan this year calls for further acquisition of plantation fibre, as we continue to expand our plantation base. We also plan to ramp up re-planting with our genetically advanced seedlings, with the aim of achieving an average yield of 150 to 200 m³ per hectare at harvest in six years.”

Mr. Chan continued, “Since Guizhou is one of the poorest provinces in China, we hope that significantly improving plantation yields and operating complementary wood processing mills that add value to wood fibre will help improve the livelihoods of local farmers and enrich regional economies.”

Guizhou Province adjoins Sichuan Province and Chongqing Municipality to the north, Yunnan Province to the west, Guangxi Province to the south and Hunan Province to the east. The Guizhou Master Agreement strategically expands Sino-Forest’s base of wood fibre and plantation operations in southern China. Chongqing is a vibrant and economically developing area, and infrastructure in Sichuan is under redevelopment after a massive earthquake. Accordingly, Sino-Forest believes that wood fibre will be a commodity in great demand in these provinces.

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.