

Foresta Signs 30 Year Lease Agreement

Foresta Group Holdings Limited (ASX: FGH, "FORESTA") is pleased to announce the signing of a 30-year lease agreement, inclusive of a 20-year renewal option, for 9.6 hectares of industrially zoned land in Kawerau for its flagship manufacturing facility in New Zealand. This partnership with the **Putauaki Trust**, paves the way for the development of our innovative and state-of-the-art integrated pine chemicals and black wood pellet manufacturing plant, marking the commencement of Stage 1A.

Production Capacity and Expansion Potential

Upon completion, Stage 1A is projected to produce 60,000 tonnes of black pellets and 20,000 tonnes of pine chemicals per annum. The site's expansive land area allows for further development to complete Stage 1B, targeting a combined annual production of 216,000 tonnes of black pellets and 57,000 tonnes of pine chemicals.

Furthermore, the lease incorporates an option to expand to an additional 40 hectares of adjacent industrial land. This strategic provision allows FORESTA to expand three subsequent stages, potentially achieving a total annual production capacity of 685,000 tonnes of black pellets and 170,000 tonnes of pine chemicals at Kawerau.

Strategic Location and Key Highlights

Whilst FORESTA had initially earmarked Rotorua as the preferred location for its inaugural site, comprehensive research and analysis led the company to identify and select Kawerau as a strategically superior location.

Infrastructure: The site is fully equipped with essential utilities, including power, water, gas, sewerage, and fibre/telecommunications.

Transport Connectivity: A transport rail line adjacent to the site connecting directly to the port of Tauranga, which ensures efficient logistical operations.

Road Access: The site is connected to the State Highway network via a high-capacity roundabout, along with the future ability to connect to the "off road forestry highway" which enables 60-tonne truck loads to be delivered to the site.

Energy Provision: A neighbouring geothermal power plant further enhances the site's appeal, aligning with FORESTA's sustainable energy objectives.

Site Topography: The predominantly flat terrain of the site minimises development complexities and associated costs.

Henry Cheng, *Chairman* of FORESTA, remarked, "This milestone marks a significant advancement for FORESTA, reaffirming our steadfast commitment to advancing a fossil-free chemical and energy sector in New Zealand."

Foresta Group Holdings Limited

Ray Mountfort

Managing Director

info@forestagroup.com.au

AUTHORISATION STATEMENT

This release has been authorised to be given to the ASX by the Board of Foresta Group Holdings Limited.

ABOUT FORESTA GROUP HOLDINGS

Foresta is positioning itself to become a leading global supplier of natural and renewable pine chemicals and biomass pellets. It has developed a proprietary process to naturally extract pine chemicals by employing the tree's own solvent chemicals to extract rosin and terpenes. These products are commonly used in industrial manufacturing and are a key input to everyday end products. These products include adhesives, gum, inks, paint, car tyres and perfume.

