

VEALLS LIMITED

ACN 004 288 000

Registered Office
1st Floor 484 Toorak Road
Toorak Vic 3142
Postal Address
1st Floor 484 Toorak Road
Toorak Vic 3142
PH: (03) 9827-4110
FAX: (03) 9827-4112

13 April 2017

Company Announcements Office
Australian Stock Exchange
E-Lodgements

Dear Sir / Madam,

SALE OF FORET DE LEYDE

Following is an announcement regarding the sale of Foret de Leyde in France.

Yours faithfully



Duncan Veall
Company Secretary

ANNOUNCEMENT

We advise that the sale of Foret de Leyde by Vealls Ltd (Vendor) to France Valley Groupements Forestiers (Purchaser) has been completed.

Settlement of the transaction took place on 12 April 2017 with the Vendor receiving from the Purchaser the sum of Euro 4.582m after the deduction of tax agent fees versus the carrying value of Euro 4.583m.

This sum translated at the EUR/AUD exchange rate of 0.7067 at 12 April 2017 is AUD 6.484m. The allocation of the sum received to the net assets of the Vendor has resulted in a deficit of Euro 1,000 which translates to AUD 1,415.

The AUD carrying value of the asset was AUD 6.841m at 30 June 2016 at the prevailing exchange rate of 0.6699 resulting in an exchange loss of AUD 357,000 as at 12 April 2017.

It is anticipated that the deficit amount will be reflected in the comprehensive income statement of Vealls Ltd at the relevant time and at the relevant EUR/AUD rate of exchange.

It is noted that all the financial figures of the transaction are yet to be audited. This will occur as at the year ending 30 June 2017.