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ASX Release

TFS signs supply agreement with world's leading essential oil company

TFS Corporation Ltd ("TFS", "the Company", ASX:TFC), the world's largest owner and manager of commercial Indian sandalwood plantations, has today signed a five-year agreement to supply its premium Indian sandalwood oil to US-based Young Living, the largest essential oil company in the world.

Under the five-year agreement, TFS will supply Young Living with Indian sandalwood oil at US\$4,500 per kg plus fixed annual increases of 2.5% per annum. The total contract value is approximately AU\$50 million and the first shipment of oil is expected in October 2016 with monthly supplies thereafter.

TFS Managing Director Frank Wilson said the supply agreement further demonstrated the strong global demand for TFS's premium sandalwood products.

"I am delighted we have signed this agreement with Young Living. Our new customer recorded more than US\$1 billion in sales in 2015, across 14 countries, and is intent on growing both its market presence and product range," Mr Wilson said.

"The Young Living agreement adds to the strong momentum of supply contracts TFS has secured this year.

"TFS now has multiple supply contracts in place with global customers for both wood and oil products across a breadth of markets including cosmetics, aromatherapy, pharmaceuticals, and traditional wood uses, meaning the vast majority of our harvests are now forward sold through to 2021."

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ABOUT YOUNG LIVING

Young Living Essential Oils, LC, is the world leader in essential oils, with a strict Seed to Seal® process that produces pure essential oil products for every individual, family, and lifestyle. This process ensures that all products are genuine, free of synthetic chemicals, and pure. This commitment stems from the company's more than 20 years of stewardship toward the earth and its people.

Young Living was established in 1993. It is headquartered in Lehi, Utah, with offices in Australia, Europe, Canada, Japan, and Singapore, as well as farms around the world.

For more information, visit YoungLiving.com.

ABOUT TFS

TFS Corporation Ltd ("TFS", ASX: TFC) is an owner and manager of Indian sandalwood plantations in northern Australia. As part of its vision to be a vertically integrated producer of sandalwood products, TFS owns a significant proportion of the plantations in its own right. TFS also operates sandalwood processing and oil distribution facilities in Albany, Western Australia, and a pharmaceutical product development business in San Antonio, US.

TFS was originally founded to exploit the success of government trials into the plantation growth of Indian sandalwood in the Ord River Irrigation Area (ORIA) of north-east Western Australia.

TFS now manages the largest area of commercial Indian sandalwood plantations in the world, with over 12,000 hectares planted of which TFS owns directly and indirectly over 3,600 hectares. TFS plantations are managed on behalf of both institutional, high net worth and MIS investors.

In 2014, TFS completed its first commercial harvest of its Indian sandalwood plantations and, via its subsidiary Santalis Pharmaceuticals Inc., entered into a supply agreement for pharmaceutical grade oil with Galderma, a leading global dermatology company wholly owned by Nestle. TFS now has significant and multi-year contracts in place with a number of global companies across pharmaceutical, cosmetic and wood markets.

TFS's pharmaceutical division, Santalis Pharmaceutical, has four products in FDA approved Phase 2 trials. All products contain TFS's pharmaceutical grade Indian sandalwood oil and treat psoriasis, molluscum contagiosum, eczema and oral mucositis.

The company listed on the Australian Stock Exchange in December 2004. Since March 2014, TFS has been an ASX300 company.

TFS is committed to adopting and maintaining the highest environmental and ethical standards in all aspects of its business.

ABOUT INDIAN SANDALWOOD

Indian sandalwood has a history as a tradeable commodity spanning thousands of years, but is now endangered due to the illegal harvest of wild trees throughout the world. As a result, Indian sandalwood is the world's most expensive tropical hardwood which continues to increase in price each year.

Indian sandalwood oil is a globally important ingredient in fine fragrances, cosmetics and toiletries, Indian

consumer products and for medicinal purposes (Ayurvedic and Chinese medicine) and the wood is used for high quality carvings and artefacts and religious worship in the Hindu and Buddhist faiths. The efficacy of Indian sandalwood is being tested by US dermatology companies for a range of skin conditions and the global pharmaceutical market has the potential to be a significant consumer of Indian sandalwood oil.