

31 December 2009

The Manager
Company Announcements Platform
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

Financial covenants

Forest Enterprises Australia Ltd (ASX: FEA) refers to the CEO's speech from the AGM which was provided to the market on 30 November 2009 which advised that FEA was working towards resetting its banking covenants with its financiers.

As stated in the Director's Report attached to FEA's 2009 Statutory Accounts, which were provided to the market on 30 September 2009, the Company had expected to have its financial covenants re-set by 31 December 2009.

FEA now advises that its financiers have granted a conditional suspension of complying with its financial covenants until 19 February 2010 to enable the proper completion of discussions to re-set the banking covenants.

For further information:

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