



9 March 2012

Divestment of Subsidiary Company to Shareholders

The Board have resolved that Tamawood Limited ("Tamawood") will divest its equity interest in the subsidiary company, Resiweb Pty Ltd ("Resiweb"), by way of an in-specie share distribution to Tamawood shareholders.

The share distribution will occur in April, on a 1 for 1 basis.

Resiweb is responsible for the on-going support of Tamawood's project management software including, back-office and client interface processes, ("the software") and will license the software to Tamawood post the divestment. An advanced off the shelf enterprise software solution is being considered as a replacement for the in house development package.

The divestment will provide key Resiweb staff with an equity stake in the business and a greater degree of autonomy and independence, which should incentivise staff to grow the business through product expansion and innovation. A key growth initiative lies in the potential for Resiweb to develop a software system to support small home builders, based on the existing Tamawood proprietary home building software.

Further details of the planned divestment and the record date for shareholder entitlement to the in-specie share distribution will be announced in due course.

Robert Lynch
Chairman of Directors

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For further information please contact Robert Lynch 0401 102 634