Peter Styles  
Deputy Chief Minister of the Northern Territory, Minister for Business

**Nursery opening cultivating growth of Sandalwood project**

21 March 2016

The TFS Corporation and the Northern Territory Government have celebrated the opening of the $3.5 million Sandalwood nursery in Katherine today.

Deputy Chief Minister Peter Styles said TFS was poised to become the Top End’s largest manufacturer having already invested significantly in the Territory and with sizable future investment planned.

“This nursery is designed to nurture the TFS Corporation’s plan to expand its Sandalwood plantation over the next decade,” Mr Styles said.

“TFS, the world’s largest owner and manager of Indian Sandalwood, currently has 4,000 hectares planted across the NT and aims to grow this to 10,000 hectares by 2020.

“It is investing significant capital into the Katherine Region and growth for the project means growth for the local economy and jobs for Territorians.”

TFS Chief Executive Officer Frank Wilson confirmed TFS had invested more than $200 million in the Katherine and Douglas Daly regions over 5 years.

“We now have more than 50 full time staff in the Northern Territory and up to 200 casuals, all working in remote areas,” Mr Wilson said.

“Under our growth strategy we estimate TFS will become the largest manufacturer in the NT, creating 200 full time jobs, countless indirect employment opportunities and an annual export revenue that should exceed more than one billion dollars.

“The new nursery will assist in this growth by enabling TFS to collect improved seed stock from Territory grown Indian Sandalwood, germinate the seed and provide enough seedlings to plant up to 1500 ha of Sandalwood a year across the Territory.

“We are currently working with pastoralists, Aboriginal land owners and the Territory Government to identify suitable land with available water in remote areas ready for development.

“Since receiving Major Project Status TFS has engaged Territory company HR Links to train and recruit local Indigenous workers for both the nursery and its plantations.”
The Deputy Chief Minister said if TFS could secure additional suitable land in the NT it would make a decision whether to invest in building a pharmaceutical grade distillery.

He said that project would create a new export industry in the NT and build capacity for other pharmaceutical-based business and service providers.

“TFS’s expansion plans would be made possible through responsible water allocation under the Country Liberals Government,” Mr Styles said.

“The Country Liberals Government is delivering on its plan to develop a prosperous economy, confident culture, strong society and balanced environment for the benefit of all Territorians now and in the future.”

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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 from Albany, Western Australia.

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 10,500 hectares planted of which TFS owns directly and indirectly nearly 3,500 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, entered into a supply agreement for pharmaceutical grade oil with Galderma, a leading global dermatology company wholly owned by Nestle.

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.