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## **Phaunos Timber Fund Limited (“Phaunos”) Announces Plans to Build a Wood Pellet Processing Facility in Serbia**

Phaunos Timber Fund Limited (“Phaunos”) today announced its plans to build a wood pellet processing facility in southern Serbia. The plant will use waste wood fibre to create high density wood pellets that provide a highly efficient alternative fuel for home, institutional and industrial heating applications.

Phaunos will invest US\$9,000,000 to build the first of several wood pellet plants that will provide an entry to Eastern Europe for Phaunos. The wood pellet plants will be of relatively small scale and will be “turnkey” in design, readily replicable and scaleable to higher production capacity as circumstances warrant. The plants will provide an economically valuable and environmentally sound use for available sawmill residues that are often otherwise wasted.

Henry Whittemore, FourWinds Capital Management’s Director of Investments and Acquisitions, commented: “We are delighted with this opportunity to begin manufacturing wood pellets in Serbia. Our project will provide a needed outlet to the area’s sawmills for sawdust and slabs, create a highly efficient alternative source of fuel and provide jobs in support of the local economy. Like many of our projects, this one brings economic, environmental and social benefits to our clients and the local community.”

In addition to wood pellet manufacturing, it is anticipated that this project will help provide Phaunos with access to further timberland investment opportunities in Serbia and Eastern Europe.

**Phaunos Timber Fund Limited** is a closed-end Guernsey Investment Company listed on the Channel Island Stock Exchange (PTF) and traded on AIM, a subsidiary of the London Stock Exchange. It invests in timberland and timber-related assets internationally and is managed by FourWinds Capital Management. For further information about the fund and its investment strategies, please visit [www.phaunostimber.com](http://www.phaunostimber.com).

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