

## Regulatory Announcement



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Company	Phaunos Timber Fund Limited
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Phaunos Timber Fund Limited  
18 December 2007

### PHAUNOS ANNOUNCES ADDITIONAL LAND INVESTMENT IN URUGUAY:

18 December 2007 - Phaunos Timber Fund Limited ("Phaunos") today announced the purchase of 2,000 hectares in southeastern Uruguay. An additional 2,000 hectares of adjacent land are under agreement. The properties will be planted with specially selected species of eucalyptus to be grown on short rotations for the fiber market. The two land investments are valued at about US\$6.3 million. Closing on both properties is anticipated in first quarter 2008.

The property is part of the company's rollout of its investment strategy for southern Uruguay. Several additional properties in the area are being evaluated for the portfolio. The properties will be managed by an affiliate of Caldrey SA, Phaunos' operating subsidiary in Uruguay, organized earlier this year to provide harvesting and other services to the growing timber industry in Uruguay.

Keith Oates, Chairman of Phaunos' Board of Directors, commented: "Phaunos has developed specific strategies for each region in South America where we plan to invest. The addition of these properties, with more planned, augments our existing investment base in Uruguay, and provides species diversification to the portfolio."

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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