

**Regulatory Announcement**

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<b>Company</b>	Phaunos Timber Fund Limited
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Phaunos Timber Fund Limited  
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**Phaunos Timber Fund Limited Announces Indonesia Investment**

Phaunos Timber Fund Limited ("Phaunos") announced today an investment in sustainable forestry in Indonesia. The investment is structured as a securitised loan facility to a non-profit foundation in the Netherlands that has offered timberland and timber-related assets in Indonesia as collateral.

Phaunos has committed a minimum of €2 million and up to €4 million initially, with the opportunity to scale the investment up over time. These funds will be used by the scientific team working with the foundation to assist in the development and expansion of a novel closed-system of tropical forestry where local communities are integrally involved in creating sustainable forestry solutions including both timber and bio-fuel related applications from the forest. Other key objectives of this project include an emphasis on biodiversity and poverty alleviation, in addition to creating economic viability for these communities.

Kimberly Tara, CEO of FourWinds Capital Management and member of the Board of Phaunos said, "This project represents the next generation of tropical forest management and clearly demonstrates Phaunos' commitment to investing in projects that offer an attractive economic return as well as environmental and social returns."

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

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END OF ANNOUNCEMENT

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