



News Release

TO: THE BUSINESS EDITOR

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Please note: If you do not receive 1 page(s) including this page, or if any page is not readable, please call the Marlene Krone immediately on telephone 64-9-571 9800.

Information on Tenon Limited can be found at <http://www.tenon.co.nz>.

STOCK EXCHANGE LISTING: NEW ZEALAND (TEN)

TENON ANNOUNCES SUBSTANTIAL COMPLETION OF FOREST SALE PROCESS

Auckland, 20 October 2004 – Tenon Limited advised that it had now received consents for the transfer of non-freehold forests to the Kiwi Consortium amounting to approximately NZ\$198 million, being 95% of the NZ\$208 million in value to be transferred.

Tenon also advised today that it had reached agreement with Maori Investments Limited (MIL) to implement the transfer to MIL of the freehold land owned by Tenon's subsidiary, Tarawera Forests Limited, and acquire MIL's minority interest in the subsidiary. There are pre-conditions, relating to the transfer of certain contracts with the land, which the Company anticipates will be satisfied.

The proposal to dispose of the Tarawera freehold land and acquire the interests of minority shareholders in Tarawera Forests Limited, was disclosed in Tenon's Notice of Special Meeting and Explanatory Memorandum circulated to shareholders earlier this calendar year.

ENDS