

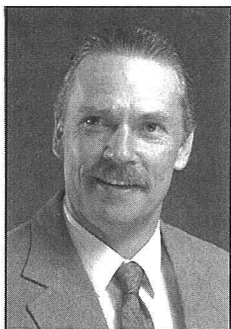
Chandler Fraser Keating Celebrates Two Decades by Expanding Staff

In order to meet expanding demands on the practice, CFK - International forest industry consultants - is pleased to announce the appointment of Harold Corbett to the team as a senior consultant.

Director, John Keating said; "CFK is proud to celebrate its 20th year of serving the forest industry and is now looking forward to further expansion of the Practice boundaries. We are delighted Harold Corbett has joined us at this exciting time. He has extensive, practical experience in the business of sustainable plantation forest management and will strengthen our Practice capability in this area."

Prior to joining CFK, Harold was Northland District Manager for Rayonier New Zealand. He will operate through the CFK Rotorua office but expects to participate in assignments throughout New Zealand and overseas.

Harold said; "I am excited to be joining the CFK team and look forward to working in a dynamic and challenging environment."



Harold Corbett
Senior Consultant

Government Sells Forest Health

The government's Forest Health agency has been sold to NZ Forest Research Institute Ltd as part of the merger of the Ministry of Agriculture and Forestry. The

Forest Health team comprises 12 forest health advisors and is headed by Ross Morgan as National Manager, with Jan Fenton as Executive Assistant.

Six of the forest health advisors are based at the national office in Rotorua, with the remaining located in Kerikeri, Auckland, Wellington, Nelson, Christchurch and Dunedin.

The team has been operating under a flat structure for the past three years, operating successfully throughout several major challenges, including the Operation Evergreen tussock moth operation in Auckland. At the time of the MoF/MAF merger, a decision was made that the commercial and contestable nature of Forest Health meant it did not fit well with the new ministry's mainly policy focus.

Proposals were put out into the market and the industry was consulted, with feedback overwhelmingly in favour of Forest Health going to Forest Research, should it go anywhere.

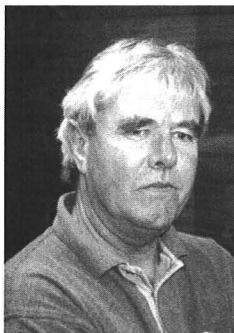
Forest Research takes over not only the 14 staff, the vehicle and office equipment but also the former MoF building in which Forest Health has been operating.

Morgan said that Forest Health would become a limited liability company and operate as a business unit within Forest Research under the wing of the Sustainability and Risk group.

"From a business and operation viewpoint it is an ideal fit, because we provide support services in key areas in the research and diagnostic scene for Forest Research, and we can't do without certain of research and diagnostic services."

A benefit for Forest Research is that it will get a well-managed group that will include staff at locations throughout the country, effectively providing closer contact with forest managers.

Forest Health's business is currently split 50:50 between negotiated arrangements with forest growers and groups like the Forest Owners' Association, and the monitoring and surveillance service provided to the MAF Regulatory Authority.



Ross Morgan

Evergreen forests raises NZ\$22.4m

Evergreen Forests Limited, the listed forestry owner, raised NZ\$22.4 million through its zero coupon convertible note issue which closed on 19 March 1999.

Evergreen's chairman, Peter Wilson, said that while the company's major shareholder, Xylem Fund I, L.P., did not participate in the offer, directors were pleased that applications were received from 624 other rights holders for 8,002,840 convertible notes, representing 65.2 per cent of the issue, excluding Xylem's pro-rata entitlement.

The balance of the issue, or 14,377,058 convertible notes, has been taken up by an underwriting syndicate led by Hambrecht & Quist Guaranty Finance, LLC. Senior company executives applied for 474,169 convertible notes under the executive share option plan.

In a further development, Mr Wilson announced that Evergreen will seek to list its ordinary shares and convertible notes on the Australian Stock Exchange, in response to growing interest in the company from both Australian institutional and retail investors.

No to Nelson forest deal

The Commerce Commission has ruled against RII Weyerhaeuser World Timberfund LP buying the forestry assets of Carter Holt Harvey Ltd in Nelson. Included in the deal were about 28,000 hectares of forests, including about 9,000 hectares of land subject to Crown Forest License.

CHH, which owns the Eves Valley sawmill and chipmill, would continue to receive logs from the forests under an agreement with Weyerhaeuser.

In making the ruling the commission focused on the arguments over whether separate product specific markets existed for logs and whether the market for logs was regional. While Weyerhaeuser argued that it was possible to adopt a number of product market definitions for logs, the commission adopted a single product market for logs.

Additionally, Weyerhaeuser suggested that the reduction in trans-