

SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT

TFS SANDALWOOD PROJECT 2006 (ARSN 117 134 611)

Important Information

This document is a Supplementary Product Disclosure Statement and should be read together with the Product Disclosure Statement dated 28 November 2005 (**Original Product Disclosure Statement**) issued by TFS Properties Ltd (ABN 31 093 330 977) for interests in the TFS Sandalwood Project 2006 (ARSN 117 134 611) (the **Project**).

This Supplementary Product Disclosure Statement is dated November 22, 2006 being the date that its preparation was completed.

Unless otherwise indicated, defined terms used in this Supplementary Product Disclosure Statement have the same meaning as given to those terms in the Original Product Disclosure Statement. To the extent of any inconsistency between this Supplementary Product Disclosure Statement and the Original Product Disclosure Statement, the provisions of this Supplementary Product Disclosure Statement will prevail.

This Supplementary Product Disclosure Statement may be viewed, together with the Original Product Disclosure Statement at the Company's website address www.tfsltd.com.au.

This document is important and should be read in its entirety. If you do not understand its contents, you should consult your stock broker, accountant or other professional adviser without delay.

Supplementary Information

1. Additional Sandalwood Lots – Section 1.1 and Section 7.1

Section 1.1 and Section 7.1 of the Original Product Disclosure Statement states that the Project consists of up to 600 Sandalwood Lots of one half (0.5) of a hectare each. As at the date of this Supplementary Product Disclosure Statement, TFS Properties Ltd has received Applications for all of the 600 Sandalwood Lots.

Pursuant to this Supplementary Product Disclosure Statement, TFS Properties extends the number of Sandalwood Lots offered under the Project by 400. Accordingly, the Project now consists of up to 1000 Sandalwood Lots of one half (0.5) of a hectare each.

It should be noted that all applications from the date of this Further Supplementary Product Disclosure Statement will fall within the ambit of the extra 400 Sandalwood Lots and will attract the taxation implications outlined below.

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2. Product Rulings – Section 6.1

Section 6.2 of the Original Product Disclosure Statement states:

"The Responsible Entity has lodged an application with the Commissioner of Taxation for a Product Ruling for this Project."

Product Rulings PR2006/114 was issued in relation to the Project and relates to the 600 Sandalwood Lots that were offered pursuant to the Original Product Disclosure Statement. Pursuant to this Supplementary Product Disclosure Statement, the Responsible Entity has extended the number of Sandalwood Lots offered by an additional 400 Sandalwood Lots. However, PR2006/114 does not extend to the additional 400 Sandalwood Lots.

Accordingly, the Responsible Entity has applied for, and has been granted, an addendum to its Product Ruling in respect of the additional 400 Sandalwood Lots.

The addendum to the Product Rulings has been granted on the same basis as PR2006/114. Accordingly, the information contained in Section 6.1 of the Original Product Disclosure Statement applies to investors to the additional 400 Sandalwood Lots but the reference to a Product Ruling should be to the addendum to the Product Ruling 2006/114.

3. Director's Authorisation and Responsibility Statement

Each Director of TFS Properties Ltd has given and has not, as at the date of this Supplementary Product Disclosure Statement withdrawn their consent to the preparation and content of this Supplementary Product Disclosure Statement.

This Supplementary Product Disclosure Statement was completed on November 22, 2006 and signed on the same date by Frank Wilson, Director of TFS Properties Limited.



Frank Cullity Wilson
For and on behalf of
TFS PROPERTIES LIMITED

Name of Grower

Signature of Grower

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