

SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT

TFS SANDALWOOD PROJECT 2008 (ARSN 128 710 261)

Important Information

This document is a Supplementary Product Disclosure Statement and should be read together with the Product Disclosure Statement dated 1 February 2008 (**Original Product Disclosure Statement**) issued by TFS Properties Ltd (ABN 31 093 330 977) for interests in the TFS Sandalwood Project 2008 (ARSN **128 710 261**) (the **Project**).

This Supplementary Product Disclosure Statement is dated 16th April 2008 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. Preferred Financier – Section 2.3 and Section 2.5

Section 2.3 and Section 2.5 of the Original Product Disclosure Statement refer to the availability of finance on Establishment Fees from Arwon Finance Pty Ltd for principal and interest terms only and state that where Arwon Finance Pty Ltd is used, then it is necessary for the Grower to obtain insurance in respect of their Sandalwood Lots.

TFS Properties wishes to provide an additional financing option through MIS Funding No. 1 Pty Ltd as a preferred financier, which is to include interest only terms for up to three years.

Accordingly, pursuant to this Supplementary Product Disclosure Statement, the Responsible Entity amends the Original Product Disclosure Statement as follows:

- (a) in Table 1 on page 11 under the section headed "Insurance Fee", insert the words "or MIS Funding No. 1" after the words "Arwon Finance";
- (b) in Section 2.3(f) on page 13, insert the words "or MIS Funding No. 1" after the words "Arwon Finance"; and
- (c) in Section 2.5 on page 18, insert the words "or MIS Funding No. 1 Pty Ltd" after the words "Arwon Finance Ltd".

This is a Further Supplementary Product Disclosure Statement dated 16th April 2008 to be read in conjunction with the Original Product Disclosure Statement dated 1 February 2008, and the Supplementary Product Disclosure Statement dated 16th April 2008 as issued by TFS Properties Limited (ABN 31 093 330 977) in respect of the TFS Sandalwood Project 2008 (ARSN128 710 261).

2. Product Rulings – Section 6.2

Section 6.2 of the Original Product Disclosure Statements states:

“The Responsible Entity has applied for, and been granted, a Product Ruling PR 2008/4 for this project by the Commissioner of Taxation”.

Product Ruling PR2008/4 was issued in relation to the Project and relates to finance provided by Arwon Finance Pty Ltd as described in the Original Product Disclosure Statement. As set out in section 1 of this Supplementary Product Disclosure Statement, the Responsible Entity has also arranged for the provision of finance from MIS Funding No. 1 Pty Ltd as a preferred financier.

Accordingly, the Responsible Entity has applied to the Commissioner of Taxation for, and has been granted, an addendum to the Product Ruling dated 16th April 2008 (**Addendum**). The effect of the Addendum is to extend the application of Product Ruling 2008/4 to the finance provided by MIS Funding No. 1 Pty Ltd in relation to the Project.

Accordingly, investors should note that the references to the “Product Ruling” in the Original Product Disclosure Statement now refer to the Product Ruling 2008/4 as amended by the Addendum.

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 16th April 2008 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