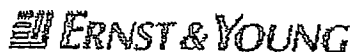


**July 4, 2008 offering memorandum engagement letter for
Convertible Senior Notes due 2013**



Ernst & Young LLP
Chartered Accountants
Pacific Centre
700 West Georgia Street
R.O. Box 10101
Vancouver, British Columbia V7Y 1L7

Tel: 604 891 8200
Fax: 604 643 5422
ey.com/ca

July 4, 2008

Mr. Jamie Hyde
Chair of the Audit Committee
Sino-Forest Corporation
90 Burnhamthorpe Rd W., Suite 1208
Mississauga, ON, L5B 3C3

Dear Sirs:

Re: Offering Memorandum

This will confirm the engagement of Ernst & Young LLP ("we" or "EY") to perform services in respect of the offering memorandum for convertible senior notes of Sino-Forest Corporation (the "Company"). Our partner, Linda Zhu, will have primary responsibility for this engagement.

Management of the Company and the underwriter bear the primary responsibility to ensure the offering memorandum contains no misrepresentations. Our procedures with respect to this engagement will be performed in accordance with our professional standards as set out in CICA Section 7110 – *Auditor Involvement with Offering Documents of Public and Private Entities*, and other requirements as set out hereunder. These procedures are designed to enable us to issue our consent to the use of our auditors' report to demonstrate to readers that we have been involved with the offering document.

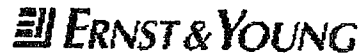
Audited financial statements

Pursuant to Canadian securities laws, the comparative annual financial statements for the most recently completed financial year are included in the offering memorandum.

- Balance sheets as at the end of the three most recently completed years; and
- Statements of income and retained earnings, comprehensive income and cash flows for each of the last three years.

We have audited the balance sheet of the Company as at December 31, 2007, and the statements of income and retained earnings, comprehensive income and cash flows for the year then ended. Our report to the shareholders on the annual financial statements for the year ended December 31, 2007 was dated March 12, 2008 and is to be included in the offering memorandum relating to the offering and issue of convertible senior notes of the Company, to be filed by the Company under the securities legislations of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, Quebec and Newfoundland and Labrador.

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In order to provide our consent to the use of our auditors' report in the offering memorandum, it will be necessary for us to perform subsequent events review procedures with respect to the preliminary and final offering memorandum and the closing of the offering. This work is expected to be comprised of limited enquiry and review procedures designed to provide assurance that management has identified events arising after the date of the auditors' report in the offering memorandum that may require an adjustment to, or disclosure in, the audited financial statements or other information in the offering memorandum that is derived from such financial statements. We are also required to update our communications with the Company's legal counsel and obtain representations from management similar to those we customarily receive as part of our annual audit.

Unaudited interim financial statements

Securities legislation requires that the offering memorandum includes comparative unaudited interim financial statements for the current fiscal year. In order to consent to the use of our auditors' report in the offering memorandum described above, our professional standards require that we carry out certain procedures including a review of the Company's interim financial statements for the three months ended March 31, 2008 to be included in the offering memorandum.

The period covered by the interim financial information is specified by securities legislation. If the final offering memorandum is delayed, it may be necessary to update the interim financial statements. If such is the case, then we would have to perform additional review procedures on the updated unaudited interim financial statements.

The review procedures we carry out are significantly less extensive than an audit and would not necessarily reveal matters requiring adjustments to or disclosures in the interim financial information. Further, adjustments and disclosures may later be determined to be necessary as a result of our subsequent audit of the 2008 financial statements that include such interim periods. Accordingly, the review procedures do not result in the expression of an audit opinion on the interim financial statements.

If information comes to our attention which leads us to question whether the interim financial statements are materially in error or not in accordance with generally accepted accounting principles, we will inform you and discuss what further action is required.

If as a result of our work we are required to express a reservation in our report on our review of the unaudited interim financial statements to be included in the offering memorandum, we will provide a written report on our review thereof to be included in the offering memorandum.



Other information in the offering memorandum

In addition to financial statements, an offering memorandum includes other financial information and information of a non-financial nature. As such other information may be relevant to the financial statements and our audit or review thereof, we will perform procedures to determine whether this other financial and non-financial information is consistent with the audited and unaudited financial statements in the offering memorandum in accordance with the guidance in CICA Section 7500.

If we become aware of information that, although not inconsistent with the financial statements, appears to constitute a misrepresentation when reading the offering memorandum, we will discuss the matter with management or with the Company's legal counsel, with the consent of management. We may wish to receive written confirmation from legal counsel of their view on the matter. In the event that the apparent inconsistency is not resolved to our satisfaction, we will advise the Audit Committee and consider whether our consent may be provided.

Communications required by other parties

We are required by provincial securities legislation and upon the request of the underwriter to issue the following letters:

Upon filing the preliminary offering memorandum:

- An unsigned comfort letter addressed to the Directors of the Company and the underwriter expressing assurances with respect to specified financial information included in the offering memorandum.

Upon filing the final offering memorandum:

- A comfort letter addressed to the Directors of the Company and the underwriter expressing assurances with respect to specified financial information included in the offering memorandum.

Upon closing of the offering:

- A bring-down letter addressed to the Directors of the Company and the underwriter.



Auditor assistance to the underwriter

As indicated above, in connection with the proposed offering of convertible senior notes, we understand that the underwriting agreement will provide that we perform certain procedures for the purpose of issuing a comfort letter to Merrill Lynch International (the "underwriter"). The comfort letter would make reference to our auditors' report and our review of the unaudited interim financial statements included in the offering memorandum, and set out the procedures performed at the underwriter's request and the results of performing those procedures. In addition, we understand that the underwriter may request that we attend a meeting (the "due diligence meeting") at which the underwriter and the underwriter's legal counsel may wish to ask us certain questions, and that you have agreed to grant such a request. We understand that the underwriter is an experienced underwriter and will be carrying out other procedures it deems appropriate to obtain whatever information it believes is necessary to complete its investigation of the financial affairs of the Company. Our audits of the Company's financial statements referred to above were not carried out for the purpose of such investigation, and our auditors' reports, our comfort letter, and the answers that we may give at the due diligence meeting are not to be relied upon for that purpose.

We will provide a comfort letter to the underwriter which we will prepare in accordance with the guidance contained in CICA Section 7200. We will advise you of the matters on which the underwriter is seeking comfort and the procedures they are requesting. As the Company, not the underwriter, will bear the cost of preparing the comfort letter, we will discuss with you the practicality and effectiveness of the requested procedures in providing the desired comfort.

In accordance with professional standards, our audit was carried out solely for the purpose of providing us with sufficient appropriate audit evidence to support our opinion on the financial statements referred to above. There is no assurance that the procedures we perform for purposes of the comfort letter and our responses at the due diligence meeting will address all of the questions that the underwriter and the underwriter's legal counsel may have. You should be aware that there could be sensitive matters that the underwriter and the underwriter's legal counsel may ask us to address either in the comfort letter or during the due diligence meeting that could affect the outcome of the proposed offering of the convertible senior notes. At due diligence meetings we will not respond to underwriters' questions dealing with matters that are generally management's concern or that involve predictions about future events or which are beyond the scope of our practice and personal knowledge. Unless otherwise instructed by you, we shall attempt to perform all of the requested procedures and answer all questions asked at the due diligence meeting.

You acknowledge that we have no responsibility to you if the results of our procedures or our answers to the questions asked at the due diligence meeting result in termination of, or change in, the proposed offering or in misuse of any confidential information discussed at the meeting. You also acknowledge that you have requested us to cooperate in every way with the underwriter and the underwriter's legal counsel, by performing the requested procedures and by answering any questions they may ask in the due diligence meeting.



You also agree to indemnify and hold harmless all members of the engagement team and Ernst & Young LLP from any claim by the underwriter and the underwriter's legal counsel, or any other third party, that arises as a result of our comfort letter or our attendance at the due diligence meeting and our responses to questions asked at such meeting.

We shall advise the underwriter that information acquired by them in our comfort letter or as a result of our responses to their questions at the due diligence meeting is confidential and is to be used only in connection with the securities offering referred to above. In addition, we will notify the underwriter of our professional standards for participation in a due diligence meeting.

Fees

Our fees will be billed as work progresses are based on the amount of time required, at our billing rates, ranging from \$200 to \$500 per hour, plus out-of-pocket expenses. Payment in full should be made within 30 days of the date each billing is received.

Our estimated fees and schedule of performance are based upon, among other things, the assumption that all necessary information will be available to us on a timely basis and that the scope of our services is not expanded beyond those described herein. Should our assumptions with respect to these matters be incorrect or should the condition of the records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates.

We very much appreciate the opportunity to provide services to the Company in respect of the offering memorandum and would be pleased to furnish any additional information you may request concerning our responsibilities and functions. Please let us know immediately if you have any concerns about the terms of engagement as described in this letter.

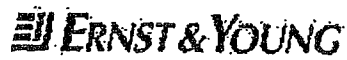
Additional terms and conditions are attached and form an integral part of this engagement letter; they govern our respective rights and obligations arising out of this engagement.

To confirm these arrangements as outlined are in accordance with your requirements and are acceptable, please sign one copy of this letter in the space provided and return it to us.

Yours very truly,

Ernst & Young LLP

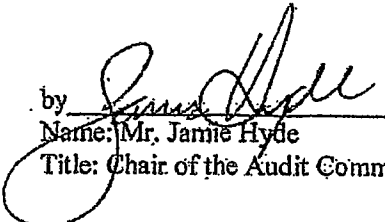
Chartered Accountants



Agreed:
Sino-Forest Corporation

Acknowledged on behalf of the
Company's Audit Committee:

by _____
Name: Mr. David Horsley
Title: Chief Financial Officer

by 
Name: Mr. Jamie Hyde
Title: Chair of the Audit Committee

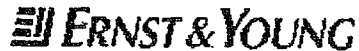
I have the authority to bind the Company.



Terms and Conditions

Except as otherwise specifically provided in the engagement letter or contract to which these terms and conditions are attached (collectively, the "Agreement") the following additional terms and conditions shall apply. As used herein "EY" refers to the Canadian firm of Ernst & Young LLP. "EY Entities" means EY, all members of the global Ernst & Young network, Ernst & Young Global Limited, and any of their respective affiliates (and "EY Entity" means any one of them).

1. **Services** - EY shall exercise due professional care and competence in the performance of the services provided pursuant to this Agreement (the "Services").
2. **Unexpected Events** - If changes to the scope or timing of any Services are required because of a change in applicable law or professional standards or events beyond a party's reasonable control, but not involving its fault or negligence (any of which, a "Change"), the parties agree to adjust the fees for, and/or timing of, the Services appropriately and, if necessary, client will obtain Audit Committee approval of such adjustments. Each party shall be excused from default or delay in the performance of its obligations (other than payment obligations) under this Agreement to the extent caused by a Change.
3. **Client Data & Information** - Client will provide, or cause to be provided, to EY in a timely manner complete and accurate data and information ("Client Data") and access to resources as may be reasonably required by EY to perform the Services. EY may disclose Client Data, including personal information, to other EY Entities for the purposes of (i) rendering the Services, (ii) fulfilling EY Entities' professional obligations to manage conflicts of interest and to maintain auditor independence and (iii) implementing standardized performance recording and documentation systems within the global Ernst & Young network. EY Entities or their service providers may process and store Client Data, which may include personal information, outside of Canada.
4. **Confidentiality** - Subject to the other terms of this Agreement, both client and EY agree that they will take reasonable steps to maintain the confidentiality of any proprietary or confidential information of the other.
5. **EY Waiver Re: Tax Advice** - Notwithstanding any confidentiality obligations or other restrictions on disclosure contained in this Agreement, with regard to:
 - (a) any oral or written statement or advice related to taxes provided by EY with regard to a person or entity that:
 - (i) has any filing obligation with the US Internal Revenue Service, or
 - (ii) qualifies as a US Controlled Foreign Corporation (i.e., a non-US corporation that has US shareholders (US persons that directly or indirectly own 10% or more of the total combined voting power of all of the classes of stock of such non-US corporation) that own in the aggregate more than 50% of the total vote or value of such non-US corporation);
 - (b) any oral or written statement or advice regarding US taxes or tax advice related to a transaction that could affect a US tax; or
 - (c) where SEC audit independence restrictions apply to the relationship between client and any EY Entity, any oral or written statement or advice to client as to any potential tax consequences that may result from a transaction or the tax treatment of an item,(together, (a), (b) and (c) referred to as "Tax Advice"),



EY expressly authorizes client to disclose to any and all persons, without limitation of any kind, any such Tax Advice, including any fact that may be relevant to understanding such Tax Advice, and all materials of any kind (including opinions and other tax analyses) provided to client in relation to such Tax Advice. However, because the Tax Advice is solely for the benefit of client and is not to be relied upon by any other person or entity, client shall inform those to whom it discloses any such information that they may not rely upon any of it for any purpose without EY's prior written consent.

6. **Privacy** - Client confirms to EY that it has obtained any consents that may be required under applicable privacy legislation for any collection, use or disclosure of personal information that is necessary in order for EY to provide the Services. EY shall adhere to applicable privacy legislation when dealing with personal information that was obtained from client. Personal information is collected, used and disclosed by EY in accordance with EY's privacy policy, which is available at <http://www.ey.com/ca>.
7. **Auditor Oversight** - Client hereby acknowledges that EY may from time to time receive requests or orders from the Canadian Public Accountability Board or from professional, securities or other regulatory or governmental authorities that fulfill similar functions (both in Canada and abroad) to provide them with information and copies of documents in EY's files including EY's working papers, and other work-product relating to client's affairs. Client consents to EY providing or producing, as applicable, these documents and information without further reference to, or authority from, client. Except where prohibited by law, if a request or order is directly related to an inspection or investigation of EY's audit of client, EY will advise client of the request or order.

When a regulatory authority requests access to EY's working papers and other work-product relating to client's affairs, EY will, on a reasonable efforts basis, refuse access to any document over which client has expressly informed EY that client asserts privilege, except where disclosure of documents is required by law or requested by a provincial Institute/Order of Chartered Accountants pursuant to its statutory authority. Client must mark any document over which it asserts privilege as privileged and inform EY of the grounds for client's assertion of privilege (such as whether it claims solicitor-client privilege or litigation privilege).

EY will also be required to provide information relating to the fees that EY collects from client for the provision of audit services, other accounting services and non-audit services.

8. **Internet Communications** - Unless otherwise agreed with client, EY and other EY Entities may correspond by means of the Internet or other electronic media or provide information to client in electronic form. There are inherent risks associated with the electronic transmission of information on the Internet or otherwise. EY cannot guarantee the security and integrity of any electronic communications sent or received in relation to this engagement and cannot guarantee that transmissions or other electronic information will be free from infection by viruses or other forms of malicious software.
9. **Right to Terminate Services** - Subject to any applicable professional standards and legislation, either party may terminate this Agreement, with or without cause, by providing written notice to the other party. In the event of early termination, for whatever reason, client will be invoiced for time and expenses incurred up to the end of the notice period together with reasonable time and expenses incurred to bring the engagement to a close in a prompt and orderly manner. EY shall also have the right, upon 7 days prior notice, to suspend performance of the Services in the event client fails to pay any amount required to be paid under this Agreement.



10. **Expenses** - Client shall reimburse EY for all reasonable expenses incurred in connection with the performance of the Services. The costs of administrative items such as telephone, research material, facsimile, overnight mail, messenger, administrative support, among others will be billed to client at 11.5% of EY's fees for professional services. Reasonable and customary out-of-pocket expenses for items such as travel, meals, accommodations and other expenses specifically related to this engagement will also be charged.
11. **Billing & Taxes** - Bills including expenses will be rendered on a regular basis as the assignment progresses. Accounts are due when rendered. Interest on overdue accounts is calculated at the rate noted on the invoice commencing 30 days following the date of the invoice. The fees, expenses and other charges payable pursuant to this Agreement do not include taxes or duties. All applicable taxes or duties, whether presently in force or imposed in the future, shall be assumed and paid by client without deduction from the fees, expenses and charges hereunder.
12. **Governing Law** - This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to principles of conflicts of law. The parties hereby irrevocably and unconditionally submit and attorn to the exclusive jurisdiction of the courts of the Province of Ontario in connection with any dispute, claim or other matter arising out of or relating to this Agreement or the Services.
13. **EY Reports** - EY retains all copyright and other intellectual property rights in everything developed, designed or created by EY either before or during the course of an engagement including systems, methodologies, software, know-how and working papers. EY also retains all copyright and other intellectual property rights in all reports, advice or other communications of any kind provided to client in any form (written or otherwise) during the course of an engagement ("Reports"), although client shall have the full right to use any Reports within its own organization. Any Reports are provided solely for the purpose of this engagement. Subject to "EY Waiver Re: Tax Advice" above, no Report (and no portion, summary or abstract thereof) may be disclosed to any third party without EY's prior written consent. Without limitation, except as otherwise specifically agreed in the engagement letter into which these terms and conditions are incorporated client agrees that it will not, and will not permit others to, refer to EY or reproduce, quote or refer to any Report (or any portion, summary or abstract thereof) in any document filed or distributed in connection with (i) a purchase or sale of securities or (ii) continuous disclosure obligations under applicable securities laws. EY does not assume any duties or obligations to third parties who may obtain access to any Reports. Any services or procedures performed for client will not be planned or conducted (i) in contemplation of reliance by particular third parties (ii) with respect to any specific transaction contemplated by a third party or (iii) with respect to the interests or requirements of particular third parties. Client may not rely on any draft Report.
14. **Limitation of Liability** - To the fullest extent permitted by law and regardless of whether such liability is based on breach of contract, tort (including negligence), breach of statute, strict liability, failure of essential purpose or otherwise,
 - (a) EY's liability shall be several and not joint and several, solidary or *in solidum* and EY shall only be liable for its proportionate share of any total liability based on degree of fault having regard to the contribution to any loss or damage in question of any other persons responsible and/or liable for such loss and damage;
 - (b) in no event shall either party be liable to the other for any consequential, incidental, indirect, punitive or special damages (including loss of profits, data, business or goodwill) in connection with the



performance of the Services or otherwise under this Agreement, even if the relevant party has been advised of the likelihood of such damages; and

- (c) in any case the total aggregate liability of EY arising out of or relating to this Agreement or the Services shall be limited to the greater of (i) the total fees paid to EY for the Services and (ii) \$1,000,000. This paragraph (c) shall not limit liability for death, bodily injury, physical damage to tangible property, fraud or wilful misconduct.

For the purposes of this section ("*Limitation of Liability*"), the term EY includes all other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity.

15. **Global Resources** - EY may use the services of personnel from other EY Entities to assist it in providing the Services. EY shall be solely responsible for the performance of the Services and all of the other liabilities and obligations of EY under this Agreement whether or not performed, in whole or part, by EY, any other EY Entity, or any subcontractor or personnel of any EY Entity. Client and its affiliates or other persons or entities for or in respect of which any of the Services are provided shall have no recourse, and shall bring no claim, against any EY Entity other than EY, or against any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity, or any of their respective assets, in connection with the performance of the Services or otherwise under the Agreement. Other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity shall have the express benefit of this section and shall have the right to rely on and enforce any of its terms.
16. **No Application** - The preceding two sections (*Limitation of Liability*, *Global Resources*) shall not apply to the extent prohibited by applicable law or regulation (including for these purposes applicable rules and interpretations of the US Securities and Exchange Commission relating to auditor independence and any applicable rules or guidance from a provincial Institute/Order of Chartered Accountants having jurisdiction).
17. **Solicitation & Hiring of EY Personnel** - EY's independence could be compromised if client were to hire certain EY personnel. Without the prior written consent of EY, client shall not solicit for employment or for a position on its Board of Directors, nor hire, any current or former partner or professional employee of any of EY, any affiliate thereof or any other EY Entity, if such partner or professional employee has been involved in the performance of any audit, review, attest or assurance service for or relating to client at any time since the date of filing of client's most recent financial statements with the relevant securities regulator(s) or stock exchange(s) (or, if client has not previously filed such financial statements, since the beginning of the most recent fiscal year to be covered by client's first such financial statements), or in the 12 months preceding that date.
18. **Severability** - In the event any provision of this Agreement is determined to be invalid, illegal or unenforceable, in whole or in part, such provision shall be deemed severed from this Agreement to the extent required and the remainder of this Agreement shall remain in full force and effect.
19. **Legal Proceedings** - In the event EY is requested by client or is required by government regulation, subpoena, or other legal process to produce documents or personnel as witnesses with respect to the engagement for client, and provided that EY is not a party to the legal proceedings, client shall reimburse EY for professional time and expenses, as well as the fees and expenses of counsel, incurred in responding to such requests.



20. **LLP Status** - EY is a registered limited liability partnership ("LLP") continued under the laws of the province of Ontario and is registered as an extra-provincial LLP in Quebec and other Canadian provinces. Generally, a partner of an LLP has a degree of limited liability protection in that he or she is not personally liable for any debts, obligations or liabilities of the LLP that arise from the negligence of another partner or any person under that partner's direct supervision or control. As an LLP, EY is required to maintain certain insurance. EY's insurance exceeds the mandatory professional liability insurance requirements established by any provincial Institute/Order of Chartered Accountants.
21. **Miscellaneous** - EY shall provide all Services as an independent contractor and nothing shall be construed to create a partnership, joint venture or other relationship between EY and client. Neither party shall have the right, power or authority to obligate or bind the other in any manner. This Agreement shall not be modified except by written agreement signed by the parties. This Agreement may not be assigned in whole or in part by client without EY's prior written consent, not to be unreasonably withheld. Any terms and provisions of this Agreement that by their nature operate beyond the term or expiry of this Agreement shall survive the termination or expiry of this Agreement, including without limitation those provisions headed *Client Data & Information, Confidentiality, EY Waiver Re: Tax Advice, Auditor Oversight, Limitation of Liability, Global Resources, Solicitation & Hiring of EY Personnel, and Legal Proceedings*. This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns. The provisions of this Agreement shall operate for the benefit of, and may be enforced by, other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity. This Agreement constitutes the entire agreement between the parties relating to its subject matter and supersedes all prior representations, negotiations and understandings.

May 17, 2009 short form prospectus engagement letter



Ernst & Young LLP
Chartered Accountants
Pacific Centre
700 West Georgia Street
P.O. Box 10101
Vancouver, British Columbia V7Y 1C7
Tel: 604 891 8200
Fax: 604 643 5422
ey.com/ca

May 17, 2009

Mr. David Horsley
Chief Financial Officer
Sino-Forest Corporation
90 Burnhamthorpe Rd W., Suite 1208
Mississauga, ON, L5B 3C3

Re: Short Form Prospectus

This will confirm the engagement of Ernst & Young LLP ("we" or "EY") to perform services in respect of the prospectus for Sino-Forest Corporation (the "Company"). Our partner, Linda Zhu, will have primary responsibility for this engagement.

Management of the Company and the underwriter bear the primary responsibility to ensure the prospectus contains no misrepresentations. Our procedures with respect to this engagement will be performed in accordance with our professional standards as set out in CICA Section 7110 – *Auditor Involvement with Offering Documents of Public and Private Entities*, and other requirements as set out hereunder. These procedures are designed to enable us to issue our consent to the use of our auditors' report to demonstrate to readers that we have been involved with the prospectus. Our consent is to be included in the prospectus.

Audited financial statements

Pursuant to Canadian securities laws, the comparative annual financial statements for the most recently completed financial year are incorporated by reference in the prospectus.

We have audited the balance sheets of the Company as at December 31, 2008 and 2007, and the statements of income and retained earnings, comprehensive income and cash flows for the years then ended. Our report to the shareholders on the comparative annual financial statements for the year ended December 31, 2008 was dated March 13, 2009 and is to be incorporated by reference in the prospectus relating to the offering of common shares of the Company, to be filed by the Company under the Securities Acts of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador (the "Acts").

In order to provide our consent to the use of our auditors' report in the prospectus, it will be necessary for us to perform subsequent events review procedures with respect to the preliminary and final prospectuses and the closing of the offering. This work is expected to be comprised of limited enquiry and review procedures designed to provide assurance that management has identified events arising after the date of the auditors' report in the prospectus that may require an adjustment to, or disclosure in, the audited financial

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statements or other information in the prospectus that is derived from such financial statements. We are also required to update our communications with the Company's legal counsel and obtain representations from management similar to those we customarily receive as part of our annual audit.

Unaudited interim financial statements

Pursuant to Canadian securities laws, comparative interim financial statements for the most recently completed financial period are incorporated by reference in the prospectus. In order to consent to the use of our auditors' report in the prospectus described above, our professional standards require that we carry out certain procedures including a review of the Company's interim financial statements for the three months ended March 31, 2009 and 2008 and any other interim financial statements that may be issued and incorporated by reference in the prospectus. We have reviewed the interim consolidated financial statement for the three month periods ended March 31, 2009 and 2008 and provided our report thereon to the audit committee of Sino-Forest Corporation. In order for the interim financial statements for the three months period ended March 31, 2009 and 2008 to be incorporated by reference in the short form prospectus, we will have to complete additional subsequent event review procedures.

The period covered by the interim financial information is specified by securities legislation. If the final prospectus is delayed, it may be necessary to update the interim financial statements. If such is the case, then we would have to perform additional review procedures on the updated unaudited interim financial statements.

The review procedures we carry out are significantly less extensive than an audit and would not necessarily reveal matters requiring adjustments to or disclosures in the interim financial information. Further, adjustments and disclosures may later be determined to be necessary as a result of our subsequent audit of the 2009 financial statements that include such interim periods. Accordingly, the review procedures do not result in the expression of an audit opinion on the interim financial statements.

If information comes to our attention which leads us to question whether the interim financial statements are materially in error or not in accordance with generally accepted accounting principles, we will inform you and discuss what further action is required.

If as a result of our work we are required to express a reservation in our report on our review of the unaudited interim financial statements to be incorporated by reference in the prospectus, we will provide a written report on our review thereof to be included in the prospectus.



Other information in the prospectus

In addition to financial statements, a prospectus includes other financial information and information of a non-financial nature. As such other information may be relevant to the financial statements and our audit or review thereof, we will perform procedures to determine whether this other financial and non-financial information is consistent with the audited and unaudited financial statements in the prospectus in accordance with the guidance in CICA Section 7500.

If we become aware of information that, although not inconsistent with the financial statements, appears to constitute a misrepresentation when reading the prospectus, we will discuss the matter with management or with the Company's legal counsel, with the consent of management. We may wish to receive written confirmation from legal counsel of their view on the matter. In the event that the apparent inconsistency is not resolved to our satisfaction, we will advise the Audit Committee and consider whether our consent may be provided.

Communications required by securities commissions and other parties

We are required by provincial securities legislation to issue the following letters:

Upon filing the preliminary prospectus:

- (i) An unsigned comfort letter addressed to the Directors of the Company and the underwriter expressing assurances with respect to specified financial information included in the prospectus;

Upon filing the final prospectus:

- (i) Consent letters addressed to the securities commissions, in which we give our consent to the use of our report in the prospectus;
- (ii) A comfort letter addressed to the securities regulatory authorities expressing negative assurance with respect to unaudited interim financial statements incorporated by reference in the prospectus;
- (iii) A comfort letter addressed to the Directors of the Company and the underwriter expressing assurances with respect to specified financial information included in the prospectus;

Upon closing of the prospectus:

- (i) An updated comfort letter addressed to the Directors of the Company and the underwriter.



Auditor assistance to the underwriter

As indicated above, in connection with the proposed offering of securities, we understand that the underwriting agreement will provide that we perform certain procedures for the purpose of issuing a comfort letter to Credit Suisse Securities (Canada) Inc. (the "underwriter"). The comfort letter would make reference to our auditors' report and our review of the unaudited interim financial statements incorporated by reference in the prospectus, and set out the procedures performed at the underwriter's request and the results of performing those procedures. In addition, we understand that the underwriter may request that we attend a meeting (the "due diligence meeting") at which the underwriter and the underwriter's legal counsel may wish to ask us certain questions, and that you have agreed to grant such a request. We understand that the underwriter is an experienced underwriter and will be carrying out other procedures it deems appropriate to obtain whatever information it believes is necessary to complete its investigation of the financial affairs of the Company. Our audits of the Company's financial statements referred to above were not carried out for the purpose of such investigation, and our auditors' reports, our comfort letter, and the answers that we may give at the due diligence meeting are not to be relied upon for that purpose.

We will provide a comfort letter to the underwriter which we will prepare in accordance with the guidance contained in CICA Section 7200. We will advise you of the matters on which the underwriter is seeking comfort and the procedures they are requesting. As the Company, not the underwriter, will bear the cost of preparing the comfort letter, we will discuss with you the practicality and effectiveness of the requested procedures in providing the desired comfort.

In accordance with professional standards, our audit was carried out solely for the purpose of providing us with sufficient appropriate audit evidence to support our opinion on the financial statements referred to above. There is no assurance that the procedures we perform for purposes of the comfort letter and our responses at the due diligence meeting will address all of the questions that the underwriter and the underwriter's legal counsel may have. You should be aware that there could be sensitive matters that the underwriter and the underwriter's legal counsel may ask us to address either in the comfort letter or during the due diligence meeting that could affect the outcome of the proposed offering of securities. At due diligence meetings we will not respond to underwriters' questions dealing with matters that are generally management's concern or that involve predictions about future events or which are beyond the scope of our practice and personal knowledge. Unless otherwise instructed by you, we shall attempt to perform all of the requested procedures and answer all questions asked at the due diligence meeting.

You acknowledge that we have no responsibility to you if the results of our procedures or our answers to the questions asked at the due diligence meeting result in termination of, or change in, the proposed securities offering or in misuse of any confidential information discussed at the meeting. You also acknowledge that you have requested us to cooperate in



every way with the underwriter and the underwriter's legal counsel, by performing the requested procedures and by answering any questions they may ask in the due diligence meeting.

You also agree to indemnify and hold harmless all members of the engagement team and Ernst & Young LLP from any claim by the underwriter and the underwriter's legal counsel, or any other third party, that arises as a result of our comfort letter or our attendance at the due diligence meeting and our responses to questions asked at such meeting.

We shall advise the underwriter that information acquired by them in our comfort letter or as a result of our responses to their questions at the due diligence meeting is confidential and is to be used only in connection with the securities offering referred to above. In addition, we will notify the underwriter of our professional standards for participation in a due diligence meeting.

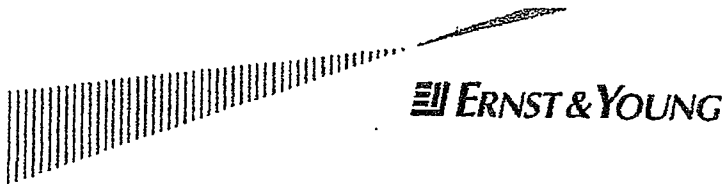
Fees

Our fees will be billed as work progresses are based on the amount of time required. Payment in full should be made within 30 days of the date each billing is received. Hourly rates for our professionals for this engagement, in Canadian dollars, are set out below. All fees and rates quoted excluded applicable taxes. Direct out-of-pocket expenses will be invoiced to you at our cost.

Level	Hourly rate
Partner	\$650
Senior Manager	\$450
Manager	\$350
Senior	\$225
Staff	\$150

Our estimated fees and schedule of performance are based upon, among other things, the assumption that all necessary information will be available to us on a timely basis and that the scope of our services is not expanded beyond those described herein. Should our assumptions with respect to these matters be incorrect or should the condition of the records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates.

We very much appreciate the opportunity to provide services to the Company in respect of the prospectus and would be pleased to furnish any additional information you may request concerning our responsibilities and functions. Please let us know immediately if you have any concerns about the terms of engagement as described in this letter.



Additional terms and conditions are attached and form an integral part of this engagement letter; they govern our respective rights and obligations arising out of this engagement.

To confirm these arrangements as outlined are in accordance with your requirements and are acceptable, please sign one copy of this letter in the space provided and return it to us.

Yours very truly,

Ernst + Young LLP

Chartered Accountants

Agreed:
Sino-Forest Corporation

Acknowledged on behalf of the
Company's Audit Committee:

by *David Horsley*
Name: Mr. David Horsley
Title: Chief Financial Officer

by *Jamie Hyde*
Name: Mr. Jamie Hyde
Title: Chair of the Audit Committee



Terms and conditions

Except as otherwise specifically provided in the engagement letter or contract to which these terms and conditions are attached (collectively, the "Agreement") the following additional terms and conditions shall apply. As used herein "EY" refers to the Canadian firm of Ernst & Young LLP. "EY Entities" means EY, all members of the global Ernst & Young network, Ernst & Young Global Limited, and any of their respective affiliates (and "EY Entity" means any one of them).

1. **Services** - EY shall exercise due professional care and competence in the performance of the services provided pursuant to this Agreement (the "Services").
2. **Unexpected events** - If changes to the scope or timing of any Services are required because of a change in applicable law or professional standards or events beyond a party's reasonable control, but not involving its fault or negligence (any of which, a "Change"), the parties agree to adjust the fees for, and/or timing of, the Services appropriately and, if necessary, Client will obtain Audit Committee approval of such adjustments. Each party shall be excused from default or delay in the performance of its obligations (other than payment obligations) under this Agreement to the extent caused by a Change.
3. **Client data and information** - Client will provide, or cause to be provided, to EY in a timely manner complete and accurate data and information ("Client Data") and access to resources as may be reasonably required by EY to perform the Services. EY may disclose Client Data, including personal information, to other EY Entities for the purposes of (i) rendering the Services, (ii) fulfilling EY Entities' professional obligations to manage conflicts of interest and to maintain auditor independence and (iii) implementing standardized performance recording and documentation systems within the global Ernst & Young network. EY Entities or their service providers may process and store Client Data, which may include personal information, outside of Canada.
4. **Confidentiality** - Subject to the other terms of this Agreement, both Client and EY agree that they will take reasonable steps to maintain the confidentiality of any proprietary or confidential information of the other.
5. **Privacy** - Client confirms to EY that it has obtained any consents that may be required under applicable privacy legislation for any collection, use or disclosure of personal information that is necessary in order for EY to provide the Services. EY shall adhere to applicable privacy legislation when dealing with personal information that was obtained from Client. Personal information is collected, used and disclosed by EY in accordance with EY's privacy policy, which is available at <http://www.ey.com/ca>.



6. **Auditor oversight** - Client hereby acknowledges that EY may from time to time receive requests or orders from the Canadian Public Accountability Board or from professional, securities or other regulatory or governmental authorities that fulfill similar functions (both in Canada and abroad) to provide them with information and copies of documents in EY's files including EY's working papers, and other work-product relating to Client's affairs. Client consents to EY providing or producing, as applicable, these documents and information without further reference to, or authority from, Client. Except where prohibited by law, if a request or order is directly related to an inspection or investigation of EY's audit of Client, EY will advise Client of the request or order.

When a regulatory authority requests access to EY's working papers and other work-product relating to Client's affairs, EY will, on a reasonable efforts basis, refuse access to any document over which Client has expressly informed EY that Client asserts privilege, except where disclosure of documents is required by law or requested by a provincial Institute/Order of Chartered Accountants pursuant to its statutory authority. Client must mark any document over which it asserts privilege as privileged and inform EY of the grounds for Client's assertion of privilege (such as whether it claims solicitor-Client privilege or litigation privilege).

EY will also be required to provide information relating to the fees that EY collects from Client for the provision of audit services, other accounting services and non-audit services.

7. **Internet communications** - Unless otherwise agreed with Client, EY and other EY Entities may correspond by means of the Internet or other electronic media or provide information to Client in electronic form. There are inherent risks associated with the electronic transmission of information on the Internet or otherwise. EY cannot guarantee the security and integrity of any electronic communications sent or received in relation to this engagement and cannot guarantee that transmissions or other electronic information will be free from infection by viruses or other forms of malicious software.
8. **Right to terminate services** - Subject to any applicable professional standards and legislation, either party may terminate this Agreement, with or without cause, by providing written notice to the other party. In the event of early termination, for whatever reason, Client will be invoiced for time and expenses incurred up to the end of the notice period together with reasonable time and expenses incurred to bring the engagement to a close in a prompt and orderly manner. EY shall also have the right, upon 7 days prior notice, to suspend performance of the Services in the event Client fails to pay any amount required to be paid under this Agreement.



9. **Expenses** - Client shall reimburse EY for all reasonable expenses incurred in connection with the performance of the Services. The costs of administrative items such as telephone, research material, facsimile, overnight mail, messenger, administrative support, among others will be billed to Client at 11.5% of EY's fees for professional services. Reasonable and customary out-of-pocket expenses for items such as travel, meals, accommodations and other expenses specifically related to this engagement will also be charged.
10. **Billing and taxes** - Bills including expenses will be rendered on a regular basis as the assignment progresses. Accounts are due when rendered. Interest on overdue accounts is calculated at the rate noted on the invoice commencing 30 days following the date of the invoice. The fees, expenses and other charges payable pursuant to this Agreement do not include taxes or duties. All applicable taxes or duties, whether presently in force or imposed in the future, shall be assumed and paid by Client without deduction from the fees, expenses and charges hereunder.
11. **Governing law** - This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to principles of conflicts of law. The parties hereby irrevocably and unconditionally submit and attorn to the exclusive jurisdiction of the courts of the Province of Ontario in connection with any dispute, claim or other matter arising out of or relating to this Agreement or the Services.
12. **EY reports** - EY retains all copyright and other intellectual property rights in everything created by EY before or during the course of an engagement, including all EY reports, advice or other EY communications of any kind ("EY Reports") and all methodologies, tools, systems, software and working papers created by EY. Any EY Reports are intended solely for the purpose described in the engagement letter or contract to which these terms and conditions are attached. Except as otherwise specifically agreed in such engagement letter or contract Client shall not refer to EY or reproduce, quote or refer to any EY Report (or any portion, summary or abstract thereof) in any document filed or distributed in connection with (i) a purchase or sale of securities or (ii) continuous disclosure obligations under applicable securities laws. EY assumes no duty, obligation or responsibility whatsoever to any third parties that obtain access to an EY Report (i.e. parties other than those to whom an EY Report is addressed). Any services or procedures performed for Client will not be planned or conducted (i) in contemplation of reliance by third parties (ii) with respect to any specific transactions contemplated by third parties or (iii) with respect to the interests or requirements of third parties. Client may not rely on any draft EY Report.



13. **Limitation of liability** - To the fullest extent permitted by law and regardless of whether such liability is based on breach of contract, tort (including negligence), breach of statute, strict liability, failure of essential purpose or otherwise,

- (a) EY's liability shall be several and not joint and several, solidary or in solidum and EY shall only be liable for its proportionate share of any total liability based on degree of fault having regard to the contribution to any loss or damage in question of any other persons responsible and/or liable for such loss and damage;
- (b) in no event shall either party be liable to the other for any consequential, incidental, indirect, punitive or special damages (including loss of profits, data, business or goodwill) in connection with the performance of the Services or otherwise under this Agreement, even if the relevant party has been advised of the likelihood of such damages; and
- (c) in any case the total aggregate liability of EY arising out of or relating to this Agreement or the Services shall be limited to the greater of (i) the total fees paid to EY for the Services and (ii) \$1,000,000. This paragraph (c) shall not limit liability for death, bodily injury, physical damage to tangible property, fraud or wilful misconduct.

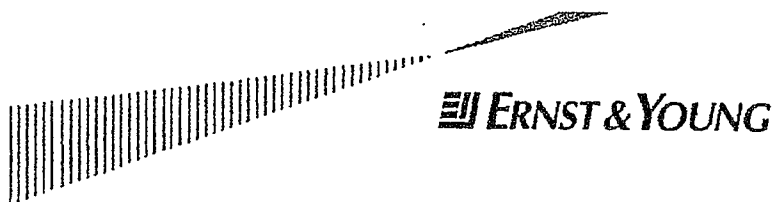
For the purposes of this section ("Limitation of Liability"), the term EY includes all other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity.

14. **Global resources** - EY may use the services of personnel from other EY Entities to assist it in providing the Services. EY shall be solely responsible for the performance of the Services and all of the other liabilities and obligations of EY under this Agreement whether or not performed, in whole or part, by EY, any other EY Entity, or any subcontractor or personnel of any EY Entity. Client and its affiliates or other persons or entities for or in respect of which any of the Services are provided shall have no recourse, and shall bring no claim (whether in contract, tort, or otherwise) against any EY Entity other than EY, or against any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity, or any of their respective assets, in connection with the performance of the Services or otherwise under the Agreement. Other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity shall have the express benefit of this section and shall have the right to rely on and enforce any of its terms.

15. **No application** - The preceding two sections (Limitation of Liability, Global Resources) shall not apply to the extent prohibited by applicable law or regulation (including for these purposes applicable rules and interpretations of the US Securities and Exchange Commission relating to auditor independence and any applicable rules or guidance from a provincial Institute/Order of Chartered Accountants having jurisdiction).



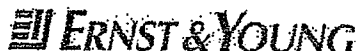
16. **Solicitation and hiring of EY personnel** - EY's independence could be compromised if Client were to hire certain EY personnel. Without the prior written consent of EY, Client shall not solicit for employment or for a position on its Board of Directors, nor hire, any current or former partner or professional employee of any of EY, any affiliate thereof or any other EY Entity, if such partner or professional employee has been involved in the performance of any audit, review, attest or assurance service for or relating to Client at any time since the date of filing of Client's most recent financial statements with the relevant securities regulator(s) or stock exchange(s) (or, if Client has not previously filed such financial statements, since the beginning of the most recent fiscal year to be covered by Client's first such financial statements), or in the 12 months preceding that date.
17. **Severability** - In the event any provision of this Agreement is determined to be invalid, illegal or unenforceable, in whole or in part, such provision shall be deemed severed from this Agreement to the extent required and the remainder of this Agreement shall remain in full force and effect.
18. **Legal proceedings** - In the event EY is requested by Client or is required by government regulation, subpoena, or other legal process to produce documents or personnel as witnesses with respect to the engagement for Client, and provided that EY is not a party to the legal proceedings, Client shall reimburse EY for professional time and expenses, as well as the fees and expenses of counsel, incurred in responding to such requests.
19. **LLP status** - EY is a registered limited liability partnership ("LLP") continued under the laws of the province of Ontario and is registered as an extra-provincial LLP in Quebec and other Canadian provinces. Generally, a partner of an LLP has a degree of limited liability protection in that he or she is not personally liable for any debts, obligations or liabilities of the LLP that arise from the negligence of another partner or any person under that partner's direct supervision or control. As an LLP, EY is required to maintain certain insurance. EY's insurance exceeds the mandatory professional liability insurance requirements established by any provincial Institute/Order of Chartered Accountants.



20. **Miscellaneous** - EY shall provide all Services as an independent contractor and nothing shall be construed to create a partnership, joint venture or other relationship between EY and Client. Neither party shall have the right, power or authority to obligate or bind the other in any manner. This Agreement shall not be modified except by written agreement signed by the parties. This Agreement may not be assigned in whole or in part by Client without EY's prior written consent, not to be unreasonably withheld. Any terms and provisions of this Agreement that by their nature operate beyond the term or expiry of this Agreement shall survive the termination or expiry of this Agreement, including without limitation those provisions headed Client Data & Information, Confidentiality, Auditor Oversight, Limitation of Liability, Global Resources, Solicitation & Hiring of EY Personnel, and Legal Proceedings. This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns. The provisions of this Agreement shall operate for the benefit of, and may be enforced by, other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity. This Agreement constitutes the entire agreement between the parties relating to its subject matter and supersedes all prior representations, negotiations and understandings.

**June 22, 2009 offering memorandum engagement letter for
Exchange of Guaranteed Senior Notes due 2011**

170 SK
JUN 29 2009



Ernst & Young LLP
Chartered Accountants
Pacific Centre
700 West Georgia Street
P.O. Box 10101
Vancouver, British Columbia V7Y 1C7
Tel: 604 891 8200
Fax: 604 643 5422
ey.com/ca

Mr. David Horsley
Chief Financial Officer
Sino-Forest Corporation
90 Burnhamthorpe Rd W., Suite 1208
Mississauga, ON, L5B 3C3

22 June 2009

Exchange Offer Memorandum ("Offering Memorandum")

This will confirm the engagement of Ernst & Young LLP ("we" or "EY") to perform services in respect of the Offering Memorandum for Sino-Forest Corporation (the "Company") for the offer to exchange any and all outstanding US\$300,000,000 9.125% Guaranteed Senior Notes Due 2011 (the "Exchange Notes") issued by the Company. Our partner, Linda Zhu, will have primary responsibility for this engagement.

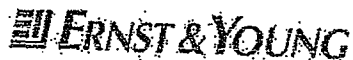
Management of the Company and Credit Suisse Securities (USA) LLC (the "Deal Manager") bear the primary responsibility to ensure the Offering Memorandum contains no misrepresentations. Our procedures with respect to this engagement will be performed in accordance with our professional standards as set out in CICA Section 7110 - *Auditor Involvement with Offering Documents of Public and Private Entities*, and other requirements as set out hereunder. These procedures are designed to enable us to issue our consent to the use of our auditors' report to demonstrate to readers that we have been involved with the Offering Memorandum. Our consent is to be included in the Offering Memorandum.

Audited financial statements

We have audited the balance sheets of the Company as at December 31, 2008 and 2007, and the statements of income and retained earnings, comprehensive income and cash flows for the years then ended. Our report to the shareholders on the comparative annual financial statements for the year ended December 31, 2008 was dated March 13, 2009 and is to be incorporated by reference in the Offering Memorandum. Our report to the directors of the company on the 2007 financial statements dated March 12, 2008 except as to notes 2, 18 and 23 which are as of July 17, 2008 will also be incorporated by reference in the Offering Memorandum.

In order to provide our consent to the use of our auditors' reports in the Offering Memorandum, it will be necessary for us to perform subsequent events review procedures with respect to the Offering Memorandum and any updates thereof, and the closing of the offering. This work is expected to be comprised of limited enquiry and review procedures designed to provide assurance that management has identified events arising after the date of the auditors' reports in the Offering Memorandum that may require an adjustment to, or disclosure in, the audited financial statements or other information in the Offering

6/29/09 JUN 29 2009



Memorandum that is derived from such financial statements. We are also required to update our communications with the Company's legal counsel and obtain representations from management similar to those we customarily receive as part of our annual audit.

Unaudited Interim financial statements

Comparative interim financial statements for the most recently completed financial period are incorporated by reference in the Offering Memorandum. In order to consent to the use of our auditors' report in the Offering Memorandum described above, our professional standards require that we carry out certain procedures including a review of the Company's interim financial statements for the three months ended March 31, 2009 and 2008 and any other interim financial statements that may be issued and incorporated by reference in the Offering Memorandum. We have reviewed the interim consolidated financial statement for the three month periods ended March 31, 2009 and 2008 and provided our report thereon to the audit committee of the Company. In order for the interim financial statements for the three months period ended March 31, 2009 and 2008 to be incorporated by reference in the Offering Memorandum, we will have to complete additional subsequent event review procedures.

If the final Offering Memorandum is delayed, the Company may determine that it is necessary to update the interim financial statements. If such is the case, then we would have to perform additional review procedures on the updated unaudited interim financial statements.

The review procedures we carry out are significantly less extensive than an audit and would not necessarily reveal matters requiring adjustments to or disclosures in the interim financial information. Further, adjustments and disclosures may later be determined to be necessary as a result of our subsequent audit of the 2009 financial statements that include such interim periods. Accordingly, the review procedures do not result in the expression of an audit opinion on the interim financial statements.

If information comes to our attention which leads us to question whether the interim financial statements are materially in error or not in accordance with generally accepted accounting principles, we will inform you and discuss what further action is required.

If as a result of our work we are required to express a reservation in our report on our review of the unaudited interim financial statements to be incorporated by reference in the Offering Memorandum, we will provide a written report on our review thereof to be incorporated by reference in the Offering Memorandum.



Other information in the Offering Memorandum

In addition to financial statements, the Offering Memorandum includes other financial information and information of a non-financial nature. As such other information may be relevant to the financial statements and our audit or review thereof, we will perform procedures to determine whether this other financial and non-financial information is consistent with the audited and unaudited financial statements in the Offering Memorandum in accordance with the guidance in CICA Section 7500.

If we become aware of information that, although not inconsistent with the financial statements, appears to constitute a misrepresentation when reading the Offering Memorandum, we will discuss the matter with management or with the Company's legal counsel, with the consent of management. We may wish to receive written confirmation from legal counsel of their view on the matter. In the event that the apparent inconsistency is not resolved to our satisfaction, we will advise the Audit Committee and consider whether our consent may be provided.

Communications required by other parties

We are required upon the request of the Deal Manager to issue the following letters:

Upon completion of the Offering Memorandum:

- A comfort letter addressed to the Directors of the Company and the Deal Manager expressing assurances with respect to specified financial information included or incorporated by reference in the offering memorandum.

Upon closing of the offering:

- A bring-down letter addressed to the Directors of the Company and the Deal Manager.



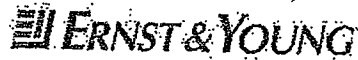
Auditor assistance to the Deal Manager

As indicated above, in connection with the proposed offering of Exchange Notes, we understand that the Deal Manager request that we perform certain procedures for the purpose of issuing a comfort letter to the Deal Manager. The comfort letter would make reference to our auditors' report and our review of the unaudited interim financial statements incorporated by reference in the Offering Memorandum, and set out the procedures performed at the Deal Manager's request and the results of performing those procedures. In addition, we understand that the Deal Manager may request that we attend a meeting (the "due diligence meeting") at which the Deal Manager and the Deal Manager's legal counsels may wish to ask us certain questions, and that you have agreed to grant such a request. We understand that the Deal Manager is an experienced agent and will be carrying out other procedures it deems appropriate to obtain whatever information it believes is necessary to complete its investigation of the financial affairs of the Company. Our audits of the Company's financial statements referred to above were not carried out for the purpose of such investigation, and our auditors' reports, our comfort letter, and the answers that we may give at the due diligence meeting are not to be relied upon for that purpose.

We will attend a due diligence meeting and provide a comfort letter to the Deal Manager which we will prepare in accordance with the guidance contained in CICA Section 7200, subject to our receipt of a letter of representation from the Deal Manager regarding the Offering Memorandum which is satisfactory to us. We will advise you of the matters on which the Deal Manager is seeking comfort and the procedures they are requesting. As the Company, not the Deal Manager, will bear the cost of preparing the comfort letter, we will discuss with you the practicality and effectiveness of the requested procedures in providing the desired comfort.

Our comfort letter is not to be relied upon, quoted or referred to by the addressees or any of their registered broker-dealer foreign affiliates in connection with the offer, sale or exchange of the securities outside of Canada and the United States. For greater certainty, our comfort letter is not to be relied upon, quoted or referred to by the addressees or any of their registered broker-dealer foreign affiliates in connection with the offer, sale or exchange of the securities in foreign jurisdictions, including, without limitation, any offer or sale of such securities on an exempt basis outside of Canada and the United States under any applicable registration exemptions referred to in the Offering Memorandum.

In accordance with professional standards, our audit was carried out solely for the purpose of providing us with sufficient appropriate audit evidence to support our opinion on the financial statements referred to above. There is no assurance that the procedures we perform for purposes of the comfort letter and our responses at the due diligence meeting will address all of the questions that the Deal Manager and the Deal Manager's legal counsels may have.



You should be aware that there could be sensitive matters that the Deal Manager and the Deal Manager's legal counsels may ask us to address either in the comfort letter or during the due diligence meeting that could affect the outcome of the proposed offering of the Exchange Notes. At the due diligence meetings we will not respond to Deal Manager's questions dealing with matters that are generally management's concern or that involve predictions about future events or which are beyond the scope of our practice and personal knowledge. Unless otherwise instructed by you, we shall attempt to perform all of the requested procedures and answer all questions asked at the due diligence meeting.

You acknowledge that we have no responsibility to you if the results of our procedures or our answers to questions asked at the due diligence meeting result in termination of, or change in, the proposed offering or in misuse of any confidential information discussed at the meeting. You also acknowledge that you have requested us to cooperate in every way with the Deal Manager and the Deal Manager's legal counsels, by performing the requested procedures and by answering any questions they may ask in the due diligence meeting.

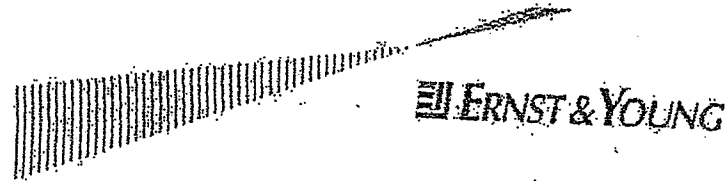
You also agree to indemnify and hold harmless all members of the engagement team and Ernst & Young LLP from any claim by the Deal Manager and the Deal Manager's legal counsel, or any other third party, that arises as a result of our comfort letter or our attendance at the due diligence meeting and our responses to questions asked at such meeting.

We shall advise the Deal Manager that information acquired by them in our comfort letter or as a result of our responses to their questions at the due diligence meeting is confidential and is to be used only in connection with the Exchange Notes offering referred to above. In addition, we will notify the Deal Manager of our professional standards for participation in a due diligence meeting.

Fees

Our fees which will be billed as work progresses are based on the amount of time required. Payment in full should be made within 30 days of the date each billing is received. Hourly rates for our professionals for this engagement, in Canadian dollars, are set out below. All fees and rates quoted exclude applicable taxes. Direct out-of-pocket expenses will be invoiced to you at our cost.

Level	Hourly rate
Partner	\$650
Senior Manager	\$450
Manager	\$350
Senior	\$225
Staff	\$150



We very much appreciate the opportunity to provide services to the Company in respect of the Offering Memorandum and would be pleased to furnish any additional information you may request concerning our responsibilities and functions. Please let us know immediately if you have any concerns about the terms of engagement as described in this letter.

Additional terms and conditions are attached and form an integral part of this engagement letter; they govern our respective rights and obligations arising out of this engagement.

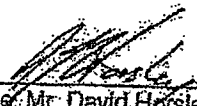
To confirm these arrangements as outlined are in accordance with your requirements and are acceptable, please sign one copy of this letter in the space provided and return it to us.

Yours very truly,

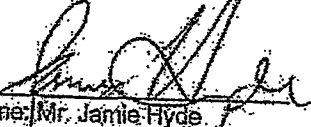
Ernst & Young LLP

Chartered Accountants

Agreed:
Sino-Forest Corporation

by 
Name: Mr. David Forsley
Title: Chief Financial Officer

Acknowledged on behalf of the
Company's Audit Committee:

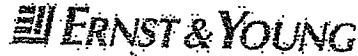
by 
Name: Mr. Jamie Hyde
Title: Chair of the Audit Committee



Terms and conditions

Except as otherwise specifically provided in the engagement letter or contract to which these terms and conditions are attached (collectively, the "Agreement"), the following additional terms and conditions shall apply. As used herein "EY" refers to the Canadian firm of Ernst & Young LLP. "EY Entities" means EY, all members of the global Ernst & Young network, Ernst & Young Global Limited, and any of their respective affiliates (and "EY Entity" means any one of them).

- 1. Services** - EY shall exercise due professional care and competence in the performance of the services provided pursuant to this Agreement (the "Services").
- 2. Unexpected events** - If changes to the scope or timing of any Services are required because of a change in applicable law or professional standards or events beyond a party's reasonable control, but not involving its fault or negligence (any of which, a "Change"), the parties agree to adjust the fees for, and/or timing of, the Services appropriately and, if necessary, Client will obtain Audit Committee approval of such adjustments. Each party shall be excused from default or delay in the performance of its obligations (other than payment obligations) under this Agreement to the extent caused by a Change.
- 3. Client data and information** - Client will provide, or cause to be provided, to EY in a timely manner complete and accurate data and information ("Client Data") and access to resources as may be reasonably required by EY to perform the Services. EY may disclose Client Data, including personal information, to other EY Entities for the purposes of (i) rendering the Services, (ii) fulfilling EY Entities' professional obligations to manage conflicts of interest and to maintain auditor independence and (iii) implementing standardized performance recording and documentation systems within the global Ernst & Young network. EY Entities or their service providers may process and store Client Data, which may include personal information, outside of Canada.
- 4. Confidentiality** - Subject to the other terms of this Agreement, both Client and EY agree that they will take reasonable steps to maintain the confidentiality of any proprietary or confidential information of the other.
- 5. Privacy** - Client confirms to EY that it has obtained any consents that may be required under applicable privacy legislation for any collection, use or disclosure of personal information that is necessary in order for EY to provide the Services. EY shall adhere to applicable privacy legislation when dealing with personal information that was obtained from Client. Personal information is collected, used and disclosed by EY in accordance with EY's privacy policy, which is available at <http://www.ey.com/ca>.



6. **Auditor oversight** - Client hereby acknowledges that EY may from time to time receive requests or orders from the Canadian Public Accountability Board or from professional, securities or other regulatory or governmental authorities that fulfill similar functions (both in Canada and abroad) to provide them with information and copies of documents in EY's files including EY's working papers, and other work-product relating to Client's affairs. Client consents to EY providing or producing, as applicable, these documents and information without further reference to, or authority from, Client. Except where prohibited by law, if a request or order is directly related to an inspection or investigation of EY's audit of Client, EY will advise Client of the request or order.

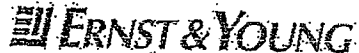
When a regulatory authority requests access to EY's working papers and other work-product relating to Client's affairs, EY will, on a reasonable efforts basis, refuse access to any document over which Client has expressly informed EY that Client asserts privilege, except where disclosure of documents is required by law or requested by a provincial Institute/Order of Chartered Accountants pursuant to its statutory authority. Client must mark any document over which it asserts privilege as privileged and inform EY of the grounds for Client's assertion of privilege (such as whether it claims solicitor-Client privilege or litigation privilege).

EY will also be required to provide information relating to the fees that EY collects from Client for the provision of audit services, other accounting services and non-audit services.

7. **Internet communications** - Unless otherwise agreed with Client, EY and other EY Entities may correspond by means of the Internet or other electronic media or provide information to Client in electronic form. There are inherent risks associated with the electronic transmission of information on the Internet or otherwise. EY cannot guarantee the security and integrity of any electronic communications sent or received in relation to this engagement and cannot guarantee that transmissions or other electronic information will be free from infection by viruses or other forms of malicious software.
8. **Right to terminate services** - Subject to any applicable professional standards and legislation, either party may terminate this Agreement, with or without cause, by providing written notice to the other party. In the event of early termination, for whatever reason, Client will be invoiced for time and expenses incurred up to the end of the notice period together with reasonable time and expenses incurred to bring the engagement to a close in a prompt and orderly manner. EY shall also have the right, upon 7 days prior notice, to suspend performance of the Services in the event Client fails to pay any amount required to be paid under this Agreement.



- 9. **Expenses** - Client shall reimburse EY for all reasonable expenses incurred in connection with the performance of the Services. The costs of administrative items such as telephone, research material, facsimile, overnight mail, messenger, administrative support, among others will be billed to Client at 11.5% of EY's fees for professional services. Reasonable and customary out-of-pocket expenses for items such as travel, meals, accommodations and other expenses specifically related to this engagement will also be charged.
- 10. **Billing and taxes** - Bills including expenses will be rendered on a regular basis as the assignment progresses. Accounts are due when rendered. Interest on overdue accounts is calculated at the rate noted on the invoice commencing 30 days following the date of the invoice. The fees, expenses and other charges payable pursuant to this Agreement do not include taxes or duties. All applicable taxes or duties, whether presently in force or imposed in the future, shall be assumed and paid by Client without deduction from the fees, expenses and charges hereunder.
- 11. **Governing law** - This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to principles of conflicts of law. The parties hereby irrevocably and unconditionally submit and attorn to the exclusive jurisdiction of the courts of the Province of Ontario in connection with any dispute, claim or other matter arising out of or relating to this Agreement or the Services.
- 12. **EY reports** - EY retains all copyright and other intellectual property rights in everything created by EY before or during the course of an engagement, including all EY reports, advice or other EY communications of any kind ("EY Reports") and all methodologies, tools, systems, software and working papers created by EY. Any EY Reports are intended solely for the purpose described in the engagement letter or contract to which these terms and conditions are attached. Except as otherwise specifically agreed in such engagement letter or contract Client shall not refer to EY or reproduce, quote or refer to any EY Report (or any portion, summary or abstract thereof) in any document filed or distributed in connection with (i) a purchase or sale of securities or (ii) continuous disclosure obligations under applicable securities laws. EY assumes no duty, obligation or responsibility whatsoever to any third parties that obtain access to an EY Report (i.e. parties other than those to whom an EY Report is addressed). Any services or procedures performed for Client will not be planned or conducted (i) in contemplation of reliance by third parties (ii) with respect to any specific transactions contemplated by third parties or (iii) with respect to the interests or requirements of third parties. Client may not rely on any draft EY Report.

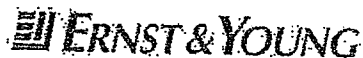


13. **Limitation of liability** - To the fullest extent permitted by law and regardless of whether such liability is based on breach of contract, tort (including negligence), breach of statute, strict liability, failure of essential purpose or otherwise,

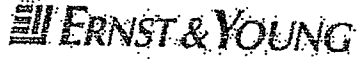
- (a) EY's liability shall be several and not joint and several, solidary or in solidum and EY shall only be liable for its proportionate share of any total liability based on degree of fault having regard to the contribution to any loss or damage in question of any other persons responsible and/or liable for such loss and damage;
- (b) In no event shall either party be liable to the other for any consequential, incidental, indirect, punitive or special damages (including loss of profits, data, business or goodwill) in connection with the performance of the Services or otherwise under this Agreement, even if the relevant party has been advised of the likelihood of such damages; and
- (c) In any case the total aggregate liability of EY arising out of or relating to this Agreement or the Services shall be limited to the greater of (i) the total fees paid to EY for the Services and (ii) \$1,000,000. This paragraph (c) shall not limit liability for death, bodily injury, physical damage to tangible property, fraud or wilful misconduct.

For the purposes of this section ("Limitation of Liability"), the term EY includes all other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity.

14. **Global resources** - EY may use the services of personnel from other EY Entities to assist it in providing the Services. EY shall be solely responsible for the performance of the Services and all of the other liabilities and obligations of EY under this Agreement whether or not performed, in whole or part, by EY, any other EY Entity, or any subcontractor or personnel of any EY Entity. Client and its affiliates or other persons or entities for or in respect of which any of the Services are provided shall have no recourse, and shall bring no claim (whether in contract, tort, or otherwise) against any EY Entity other than EY, or against any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity, or any of their respective assets, in connection with the performance of the Services or otherwise under the Agreement. Other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity shall have the express benefit of this section and shall have the right to rely on and enforce any of its terms.



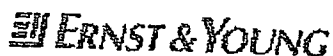
15. **No application** - The preceding two sections (Limitation of Liability, Global Resources) shall not apply to the extent prohibited by applicable law or regulation (including for these purposes applicable rules and interpretations of the US Securities and Exchange Commission relating to auditor independence and any applicable rules or guidance from a provincial Institute/Order of Chartered Accountants having jurisdiction).
16. **Solicitation and hiring of EY personnel** - EY's independence could be compromised if Client were to hire certain EY personnel. Without the prior written consent of EY, Client shall not solicit for employment or for a position on its Board of Directors; nor hire, any current or former partner or professional employee of any of EY, any affiliate thereof or any other EY Entity, if such partner or professional employee has been involved in the performance of any audit, review, attest or assurance service for or relating to Client at any time since the date of filing of Client's most recent financial statements with the relevant securities regulator(s) or stock exchange(s) (or, if Client has not previously filed such financial statements, since the beginning of the most recent fiscal year to be covered by Client's first such financial statements), or in the 12 months preceding that date.
17. **Severability** - In the event any provision of this Agreement is determined to be invalid, illegal or unenforceable, in whole or in part, such provision shall be deemed severed from this Agreement to the extent required and the remainder of this Agreement shall remain in full force and effect.
18. **Legal proceedings** - In the event EY is requested by Client or is required by government regulation, subpoena, or other legal process to produce documents or personnel as witnesses with respect to the engagement for Client, and provided that EY is not a party to the legal proceedings, Client shall reimburse EY for professional time and expenses, as well as the fees and expenses of counsel, incurred in responding to such requests.
19. **LLP status** - EY is a registered limited liability partnership ("LLP") continued under the laws of the province of Ontario and is registered as an extra-provincial LLP in Quebec and other Canadian provinces. Generally, a partner of an LLP has a degree of limited liability protection in that he or she is not personally liable for any debts, obligations or liabilities of the LLP that arise from the negligence of another partner or any person under that partner's direct supervision or control. As an LLP, EY is required to maintain certain insurance. EY's insurance exceeds the mandatory professional liability insurance requirements established by any provincial Institute/Order of Chartered Accountants.



20. Miscellaneous - EY shall provide all Services as an independent contractor and nothing shall be construed to create a partnership, joint venture or other relationship between EY and Client. Neither party shall have the right, power or authority to obligate or bind the other in any manner. This Agreement shall not be modified except by written agreement signed by the parties. This Agreement may not be assigned in whole or in part by Client without EY's prior written consent, not to be unreasonably withheld. Any terms and provisions of this Agreement that by their nature operate beyond the term or expiry of this Agreement shall survive the termination or expiry of this Agreement, including without limitation those provisions headed Client Data & Information, Confidentiality, Auditor Oversight, Limitation of Liability, Global Resources, Solicitation & Hiring of EY Personnel, and Legal Proceedings. This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns. The provisions of this Agreement shall operate for the benefit of, and may be enforced by, other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity. This Agreement constitutes the entire agreement between the parties relating to its subject matter and supersedes all prior representations, negotiations and understandings.

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November 17, 2009 short form prospectus engagement letter



Ernst & Young LLP
Chartered Accountants
Pacific Centre
700 West Georgia Street
P.O. Box 50101
Vancouver, British Columbia V7Y 1C7
Tel: 604 891 8200
Fax: 604 543 5422
ey.com/ca

November 17, 2009

Mr. James Hyde
Chair of the Audit Committee
Sino-Forest Corporation
90 Burnhamthorpe Rd W., Suite 1208
Mississauga, ON, L5B 3C3

Re: Short Form Prospectus

This will confirm the engagement of Ernst & Young LLP ("we" or "EY") to perform services in respect of the prospectus for Sino-Forest Corporation (the "Company"). Our partner, Linda Zhu, will have primary responsibility for this engagement.


Management of the Company and the underwriter bear the primary responsibility to ensure the prospectus contains no misrepresentations. Our procedures with respect to this engagement will be performed in accordance with our professional standards as set out in CICA Section 7110 – *Auditor Involvement with Offering Documents of Public and Private Entities*, and other requirements as set out hereunder. These procedures are designed to enable us to issue our consent to the use of our auditors' report to demonstrate to readers that we have been involved with the prospectus. Our consent is to be included in the prospectus.

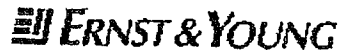
Audited financial statements

Pursuant to Canadian securities laws, the comparative annual financial statements for the most recently completed financial year are incorporated by reference in the prospectus.

We have audited the balance sheets of the Company as at December 31, 2008 and 2007, and the statements of income and retained earnings, comprehensive income and cash flows for the years then ended. Our report to the shareholders on the comparative annual financial statements for the year ended December 31, 2008 was dated March 13, 2009 and is to be incorporated by reference in the prospectus relating to the offering of common shares of the Company, to be filed by the Company under the Securities Acts of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, Quebec and Newfoundland and Labrador (the "Acts").

In order to provide our consent to the use of our auditors' report in the prospectus, it will be necessary for us to perform subsequent events review procedures with respect to the preliminary and final prospectuses and the closing of the offering. This work is expected to be comprised of limited enquiry and review procedures designed to provide assurance that management has identified events arising after the date of the auditors' report in the prospectus that may require an adjustment to, or disclosure in, the audited financial


Linda Zhu, Partner
Ernst & Young LLP
FEB 18 2010



statements or other information in the prospectus that is derived from such financial statements. We are also required to update our communications with the Company's legal counsel and obtain representations from management similar to those we customarily receive as part of our annual audit.

Unaudited interim financial statements

Pursuant to Canadian securities laws, comparative interim financial statements for the most recently completed financial period are incorporated by reference in the prospectus. In order to consent to the use of our auditors' report in the prospectus described above, our professional standards require that we carry out certain procedures including a review of the Company's interim financial statements for the three and nine months ended September 30, 2009 and 2008 and any other interim financial statements that may be issued and incorporated by reference in the prospectus. We have reviewed the interim consolidated financial statement for the three and nine month period ended September 30, 2009 and 2008 and provided our report thereon to the audit committee of Sino-Forest Corporation. In order for the interim financial statements for the three and nine months period ended September 30, 2009 and 2008 to be incorporated by reference in the short form prospectus, we will have to complete additional subsequent event review procedures.

The period covered by the interim financial information is specified by securities legislation. If the final prospectus is delayed, it may be necessary to update the interim financial statements. If such is the case, then we would have to perform additional review procedures on the updated unaudited interim financial statements.

The review procedures we carry out are significantly less extensive than an audit and would not necessarily reveal matters requiring adjustments to or disclosures in the interim financial information. Further, adjustments and disclosures may later be determined to be necessary as a result of our subsequent audit of the 2009 financial statements that include such interim periods. Accordingly, the review procedures do not result in the expression of an audit opinion on the interim financial statements.

If information comes to our attention which leads us to question whether the interim financial statements are materially in error or not in accordance with generally accepted accounting principles, we will inform you and discuss what further action is required.

If as a result of our work we are required to express a reservation in our report on our review of the unaudited interim financial statements to be incorporated by reference in the prospectus, we will provide a written report on our review thereof to be included in the prospectus.



Other information in the prospectus

In addition to financial statements, a prospectus includes other financial information and information of a non-financial nature. As such other information may be relevant to the financial statements and our audit or review thereof, we will perform procedures to determine whether this other financial and non-financial information is consistent with the audited and unaudited financial statements in the prospectus in accordance with the guidance in CICA Section 7500.

If we become aware of information that, although not inconsistent with the financial statements, appears to constitute a misrepresentation when reading the prospectus, we will discuss the matter with management or with the Company's legal counsel, with the consent of management. We may wish to receive written confirmation from legal counsel of their view on the matter. In the event that the apparent inconsistency is not resolved to our satisfaction, we will advise the Audit Committee and consider whether our consent may be provided.

Communications required by securities commissions and other parties

We are required by provincial securities legislation to issue the following letters:

Upon filing the preliminary prospectus:

- (i) An unsigned comfort letter addressed to the Directors of the Company and the underwriter expressing assurances with respect to specified financial information included in the prospectus;

Upon filing the final prospectus:

- (i) Consent letters addressed to the securities commissions and the underwriter, in which we give our consent to the use of our report in the prospectus;
- (ii) A comfort letter addressed to the Directors of the Company and the underwriter expressing assurances with respect to specified financial information included in the prospectus;

Upon closing of the prospectus:

- (i) An updated comfort letter addressed to the Directors of the Company and the underwriter.



Auditor assistance to the underwriter

As indicated above, in connection with the proposed offering of securities, we understand that the underwriting agreement will provide that we perform certain procedures for the purpose of issuing a comfort letter to the underwriter. The comfort letter would make reference to our auditors' report and our review of the unaudited interim financial statements incorporated by reference in the prospectus, and set out the procedures performed at the underwriter's request and the results of performing those procedures. In addition, we understand that the underwriter may request that we attend a meeting (the "due diligence meeting") at which the underwriter and the underwriter's legal counsel may wish to ask us certain questions, and that you have agreed to grant such a request. We understand that the underwriter is an experienced underwriter and will be carrying out other procedures it deems appropriate to obtain whatever information it believes is necessary to complete its investigation of the financial affairs of the Company. Our audits of the Company's financial statements referred to above were not carried out for the purpose of such investigation, and our auditors' reports, our comfort letter, and the answers that we may give at the due diligence meeting are not to be relied upon for that purpose.

We will provide a comfort letter to the underwriter which we will prepare in accordance with the guidance contained in CICA Section 7200. We will advise you of the matters on which the underwriter is seeking comfort and the procedures they are requesting. As the Company, not the underwriter, will bear the cost of preparing the comfort letter, we will discuss with you the practicality and effectiveness of the requested procedures in providing the desired comfort.

In accordance with professional standards, our audit was carried out solely for the purpose of providing us with sufficient appropriate audit evidence to support our opinion on the financial statements referred to above. There is no assurance that the procedures we perform for purposes of the comfort letter and our responses at the due diligence meeting will address all of the questions that the underwriter and the underwriter's legal counsel may have. You should be aware that there could be sensitive matters that the underwriter and the underwriter's legal counsel may ask us to address either in the comfort letter or during the due diligence meeting that could affect the outcome of the proposed offering of securities. At due diligence meetings we will not respond to underwriters' questions dealing with matters that are generally management's concern or that involve predictions about future events or which are beyond the scope of our practice and personal knowledge. Unless otherwise instructed by you, we shall attempt to perform all of the requested procedures and answer all questions asked at the due diligence meeting.

You acknowledge that we have no responsibility to you if the results of our procedures or our answers to the questions asked at the due diligence meeting result in termination of, or change in, the proposed securities offering or in misuse of any confidential information discussed at the meeting. You also acknowledge that you have requested us to cooperate in



every way with the underwriter and the underwriter's legal counsel, by performing the requested procedures and by answering any questions they may ask in the due diligence meeting.

You also agree to indemnify and hold harmless all members of the engagement team and Ernst & Young LLP from any claim by the underwriter and the underwriter's legal counsel, or any other third party, that arises as a result of our comfort letter or our attendance at the due diligence meeting and our responses to questions asked at such meeting.

We shall advise the underwriter that information acquired by them in our comfort letter or as a result of our responses to their questions at the due diligence meeting is confidential and is to be used only in connection with the securities offering referred to above. In addition, we will notify the underwriter of our professional standards for participation in a due diligence meeting.

Fees

Our fees will be billed as work progresses are based on the amount of time required. Payment in full should be made within 30 days of the date each billing is received. Hourly rates for our professionals for this engagement, in Canadian dollars, are set out below. All fees and rates quoted excluded applicable taxes. Direct out-of-pocket expenses will be invoiced to you at our cost.

Level	Hourly rate
Partner	\$650
Senior Manager	\$450
Manager	\$350
Senior	\$225
Staff	\$150

Our estimated fees and schedule of performance are based upon, among other things, the assumption that all necessary information will be available to us on a timely basis and that the scope of our services is not expanded beyond those described herein. Should our assumptions with respect to these matters be incorrect or should the condition of the records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates.

We very much appreciate the opportunity to provide services to the Company in respect of the prospectus and would be pleased to furnish any additional information you may request concerning our responsibilities and functions. Please let us know immediately if you have any concerns about the terms of engagement as described in this letter.



Short Form Prospectus

Additional terms and conditions are attached and form an integral part of this engagement letter, they govern our respective rights and obligations arising out of this engagement.

To confirm these arrangements as outlined are in accordance with your requirements and are acceptable, please sign one copy of this letter in the space provided and return it to us.

Yours very truly,

Ernst & Young LLP

Chartered Accountants

Agreed:
Sino-Forest Corporation

by *[Signature]*
Name: Mr. David Horsley
Title: Chief Financial Officer

Acknowledged on behalf of the
Company's Audit Committee:

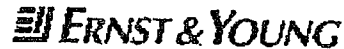
by *[Signature]*
Name: Mr. Jamie Hyde
Title: Chair of the Audit Committee



Terms and conditions

Except as otherwise specifically provided in the engagement letter or contract to which these terms and conditions are attached (collectively, the "Agreement") the following additional terms and conditions shall apply. As used herein "EY" refers to the Canadian firm of Ernst & Young LLP. "EY Entities" means EY, all members of the global Ernst & Young network, Ernst & Young Global Limited, and any of their respective affiliates (and "EY Entity" means any one of them).

1. **Services** - EY shall exercise due professional care and competence in the performance of the services provided pursuant to this Agreement (the "Services").
2. **Unexpected events** - If changes to the scope or timing of any Services are required because of a change in applicable law or professional standards or events beyond a party's reasonable control, but not involving its fault or negligence (any of which, a "Change"), the parties agree to adjust the fees for, and/or timing of, the Services appropriately and, if necessary, Client will obtain Audit Committee approval of such adjustments. Each party shall be excused from default or delay in the performance of its obligations (other than payment obligations) under this Agreement to the extent caused by a Change.
3. **Client data and information** - Client will provide, or cause to be provided, to EY in a timely manner complete and accurate data and information ("Client Data") and access to resources as may be reasonably required by EY to perform the Services. EY may disclose Client Data, including personal information, to other EY Entities for the purposes of (i) rendering the Services, (ii) fulfilling EY Entities' professional obligations to manage conflicts of interest and to maintain auditor independence and (iii) implementing standardized performance recording and documentation systems within the global Ernst & Young network. EY Entities or their service providers may process and store Client Data, which may include personal information, outside of Canada.
4. **Confidentiality** - Subject to the other terms of this Agreement, both Client and EY agree that they will take reasonable steps to maintain the confidentiality of any proprietary or confidential information of the other.
5. **Privacy** - Client confirms to EY that it has obtained any consents that may be required under applicable privacy legislation for any collection, use or disclosure of personal information that is necessary in order for EY to provide the Services. EY shall adhere to applicable privacy legislation when dealing with personal information that was obtained from Client. Personal information is collected, used and disclosed by EY in accordance with EY's privacy policy, which is available at <http://www.ey.com/ca>.



6. **Auditor oversight** - Client hereby acknowledges that EY may from time to time receive requests or orders from the Canadian Public Accountability Board or from professional, securities or other regulatory or governmental authorities that fulfill similar functions (both in Canada and abroad) to provide them with information and copies of documents in EY's files including EY's working papers, and other work-product relating to Client's affairs. Client consents to EY providing or producing, as applicable, these documents and information without further reference to, or authority from, Client. Except where prohibited by law, if a request or order is directly related to an inspection or investigation of EY's audit of Client, EY will advise Client of the request or order.

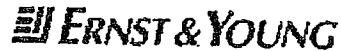
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10. **Billing and taxes** - Bills including expenses will be rendered on a regular basis as the assignment progresses. Accounts are due when rendered. Interest on overdue accounts is calculated at the rate noted on the invoice commencing 30 days following the date of the invoice. The fees, expenses and other charges payable pursuant to this Agreement do not include taxes or duties. All applicable taxes or duties, whether presently in force or imposed in the future, shall be assumed and paid by Client without deduction from the fees, expenses and charges hereunder.
11. **Governing law** - This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to principles of conflicts of law. The parties hereby irrevocably and unconditionally submit and attorn to the exclusive jurisdiction of the courts of the Province of Ontario in connection with any dispute, claim or other matter arising out of or relating to this Agreement or the Services.
12. **EY reports** - EY retains all copyright and other intellectual property rights in everything created by EY before or during the course of an engagement, including all EY reports, advice or other EY communications of any kind ("EY Reports") and all methodologies, tools, systems, software and working papers created by EY. Any EY Reports are intended solely for the purpose described in the engagement letter or contract to which these terms and conditions are attached. Except as otherwise specifically agreed in such engagement letter or contract Client shall not refer to EY or reproduce, quote or refer to any EY Report (or any portion, summary or abstract thereof) in any document filed or distributed in connection with (i) a purchase or sale of securities or (ii) continuous disclosure obligations under applicable securities laws. EY assumes no duty, obligation or responsibility whatsoever to any third parties that obtain access to an EY Report (i.e. parties other than those to whom an EY Report is addressed). Any services or procedures performed for Client will not be planned or conducted (i) in contemplation of reliance by third parties (ii) with respect to any specific transactions contemplated by third parties or (iii) with respect to the interests or requirements of third parties. Client may not rely on any draft EY Report.



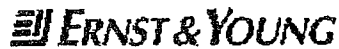
13. **Limitation of liability** - To the fullest extent permitted by law and regardless of whether such liability is based on breach of contract, tort (including negligence), breach of statute, strict liability, failure of essential purpose or otherwise,
- (a) EY's liability shall be several and not joint and several, solidary or in solidum and EY shall only be liable for its proportionate share of any total liability based on degree of fault having regard to the contribution to any loss or damage in question of any other persons responsible and/or liable for such loss and damage;
 - (b) in no event shall either party be liable to the other for any consequential, incidental, indirect, punitive or special damages (including loss of profits, data, business or goodwill) in connection with the performance of the Services or otherwise under this Agreement, even if the relevant party has been advised of the likelihood of such damages; and
 - (c) in any case the total aggregate liability of EY arising out of or relating to this Agreement or the Services shall be limited to the greater of (i) the total fees paid to EY for the Services and (ii) \$1,000,000. This paragraph (c) shall not limit liability for death, bodily injury, physical damage to tangible property, fraud or wilful misconduct.

For the purposes of this section ("Limitation of Liability"), the term EY includes all other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity.

14. **Global resources** - EY may use the services of personnel from other EY Entities to assist it in providing the Services. EY shall be solely responsible for the performance of the Services and all of the other liabilities and obligations of EY under this Agreement whether or not performed, in whole or part, by EY, any other EY Entity, or any subcontractor or personnel of any EY Entity. Client and its affiliates or other persons or entities for or in respect of which any of the Services are provided shall have no recourse, and shall bring no claim (whether in contract, tort, or otherwise) against any EY Entity other than EY, or against any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity, or any of their respective assets, in connection with the performance of the Services or otherwise under the Agreement. Other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity shall have the express benefit of this section and shall have the right to rely on and enforce any of its terms.
15. **No application** - The preceding two sections (Limitation of Liability, Global Resources) shall not apply to the extent prohibited by applicable law or regulation (including for these purposes applicable rules and interpretations of the US Securities and Exchange Commission relating to auditor independence and any applicable rules or guidance from a provincial Institute/Order of Chartered Accountants having jurisdiction).



16. **Solicitation and hiring of EY personnel** - EY's independence could be compromised if Client were to hire certain EY personnel. Without the prior written consent of EY, Client shall not solicit for employment or for a position on its Board of Directors, nor hire, any current or former partner or professional employee of any of EY, any affiliate thereof or any other EY Entity, if such partner or professional employee has been involved in the performance of any audit, review, attest or assurance service for or relating to Client at any time since the date of filing of Client's most recent financial statements with the relevant securities regulator(s) or stock exchange(s) (or, if Client has not previously filed such financial statements, since the beginning of the most recent fiscal year to be covered by Client's first such financial statements), or in the 12 months preceding that date.
17. **Severability** - In the event any provision of this Agreement is determined to be invalid, illegal or unenforceable, in whole or in part, such provision shall be deemed severed from this Agreement to the extent required and the remainder of this Agreement shall remain in full force and effect.
18. **Legal proceedings** - In the event EY is requested by Client or is required by government regulation, subpoena, or other legal process to produce documents or personnel as witnesses with respect to the engagement for Client, and provided that EY is not a party to the legal proceedings, Client shall reimburse EY for professional time and expenses, as well as the fees and expenses of counsel, incurred in responding to such requests.
19. **LLP status** - EY is a registered limited liability partnership ("LLP") continued under the laws of the province of Ontario and is registered as an extra-provincial LLP in Quebec and other Canadian provinces. Generally, a partner of an LLP has a degree of limited liability protection in that he or she is not personally liable for any debts, obligations or liabilities of the LLP that arise from the negligence of another partner or any person under that partner's direct supervision or control. As an LLP, EY is required to maintain certain insurance. EY's insurance exceeds the mandatory professional liability insurance requirements established by any provincial Institute/Order of Chartered Accountants.



20. **Miscellaneous** - EY shall provide all Services as an independent contractor and nothing shall be construed to create a partnership, joint venture or other relationship between EY and Client. Neither party shall have the right, power or authority to obligate or bind the other in any manner. This Agreement shall not be modified except by written agreement signed by the parties. This Agreement may not be assigned in whole or in part by Client without EY's prior written consent, not to be unreasonably withheld. Any terms and provisions of this Agreement that by their nature operate beyond the term or expiry of this Agreement shall survive the termination or expiry of this Agreement, including without limitation those provisions headed Client Data & Information, Confidentiality, Auditor Oversight, Limitation of Liability, Global Resources, Solicitation & Hiring of EY Personnel, and Legal Proceedings. This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns. The provisions of this Agreement shall operate for the benefit of, and may be enforced by, other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity. This Agreement constitutes the entire agreement between the parties relating to its subject matter and supersedes all prior representations, negotiations and understandings.

**November 17, 2009 offering memorandum engagement letter for
Convertible Senior Notes due 2016**



Ernst & Young LLP
Chartered Accountants
Pacific Centre
700 West Georgia Street
R.D. Box 10101
Vancouver, British Columbia V7Y 1C7
Tel: 604 891 8200
Fax: 604 643 5422
ey.com/ca

November 17, 2009

Mr. James Hyde
Chair of the Audit Committee
Sino-Forest Corporation
90 Burnhamthorpe Rd W., Suite 1208
Mississauga, ON, L5B 3C3

Re: Offering Memorandum

This will confirm the engagement of Ernst & Young LLP ("we" or "EY") to perform services in respect of the offering memorandum for convertible senior notes of Sino-Forest Corporation (the "Company"). Our partner, Linda Zhu, will have primary responsibility for this engagement.

Management of the Company and the underwriter bear the primary responsibility to ensure the offering memorandum contains no misrepresentations. Our procedures with respect to this engagement will be performed in accordance with our professional standards as set out in CICA Section 7110 – *Auditor Involvement with Offering Documents of Public and Private Entities*, and other requirements as set out hereunder. These procedures are designed to enable us to issue our consent to the use of our auditors' report to demonstrate to readers that we have been involved with the offering document.

Audited financial statements

We have audited the balance sheets of the Company as at December 31, 2008 and 2007, and the statements of income and retained earnings, comprehensive income and cash flows for the years then ended. Our report to the shareholders on the comparative annual financial statements for the year ended December 31, 2008 was dated March 13, 2009 and is to be incorporated by reference in the offering memorandum relating to the offering and issue of convertible senior notes of the Company. Our report to the directors of the company on the 2007 financial statements dated March 12, 2008 except as to notes 2, 18 and 23 which are as of July 17, 2008 will also be incorporated by reference in the offering memorandum, to be filed by the Company under the securities legislations of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

In order to provide our consent to the use of our auditors' report in the offering memorandum, it will be necessary for us to perform subsequent events review procedures with respect to the preliminary and final offering memorandum and the closing of the offering. This work is expected to be comprised of limited enquiry and review procedures designed to provide assurance that management has identified events arising after the date of the auditors' report in the offering memorandum that may require an adjustment to, or disclosure in, the audited financial statements or other information in the offering memorandum that is derived from such financial statements. We are also required to update our communications with the Company's legal counsel and obtain representations from management similar to those we customarily receive as part of our annual audit.

Ernst & Young LLP

FEB 10 2010



Unaudited interim financial statements

Comparative interim financial statements for the most recently completed financial period are incorporated by reference in the offering memorandum. In order to consent to the use of our auditors' report in the offering memorandum described above, our professional standards require that we carry out certain procedures including a review of the Company's interim financial statements for the three and nine months ended September 30, 2009 and 2008 and any other interim financial statements that may be issued and incorporated by reference in the offering memorandum. We have reviewed the interim consolidated financial statement for the three and nine month period ended September 30, 2009 and 2008 and provided our report thereon to the audit committee of Sino-Forest Corporation. In order for the interim financial statements for the three and nine months period ended September 30, 2009 and 2008 to be incorporated by reference in the offering memorandum, we will have to complete additional subsequent event review procedures.

If the final offering memorandum is delayed, the company may determine that it is necessary to update the interim financial statements. If such is the case, then we would have to perform additional review procedures on the updated unaudited interim financial statements.

The review procedures we carry out are significantly less extensive than an audit and would not necessarily reveal matters requiring adjustments to or disclosures in the interim financial information. Further, adjustments and disclosures may later be determined to be necessary as a result of our subsequent audit of the 2009 financial statements that include such interim periods. Accordingly, the review procedures do not result in the expression of an audit opinion on the interim financial statements.

If information comes to our attention which leads us to question whether the interim financial statements are materially in error or not in accordance with generally accepted accounting principles, we will inform you and discuss what further action is required.

If as a result of our work we are required to express a reservation in our report on our review of the unaudited interim financial statements to be incorporated by reference in the offering memorandum, we will provide a written report on our review thereof to be included in the offering memorandum.

Other information in the offering memorandum

In addition to financial statements, the offering memorandum includes other financial information and information of a non-financial nature. As such other information may be relevant to the financial statements and our audit or review thereof, we will perform procedures to determine whether this other financial and non-financial information is consistent with the audited and unaudited financial statements in the offering memorandum in accordance with the guidance in CICA Section 7500.

If we become aware of information that, although not inconsistent with the financial statements, appears to constitute a misrepresentation when reading the offering memorandum, we will discuss the matter with management or with the Company's legal counsel, with the consent of management. We may wish to receive written confirmation from legal counsel of their view on the matter. In the



event that the apparent inconsistency is not resolved to our satisfaction, we will advise the Audit Committee and consider whether our consent may be provided.

Communications required by other parties

Upon the request of the underwriter, we will issue the following letters:

Upon filing the preliminary offering memorandum:

- An unsigned comfort letter addressed to the Directors of the Company and the underwriter expressing assurances with respect to specified financial information included in the offering memorandum.

Upon filing the final offering memorandum:

- Consent letters addressed to the underwriter, in which we give our consent to the use of our report in the offering memorandum.
- A comfort letter addressed to the Directors of the Company and the underwriter expressing assurances with respect to specified financial information included in the offering memorandum.

Upon closing of the offering:

- An updated comfort letter addressed to the Directors of the Company and the underwriter.



Auditor assistance to the underwriter

We understand that the underwriter wishes for us to perform certain procedures for the purpose of issuing a comfort letter to the underwriter relating to the offering memorandum. The comfort letter would make reference to our auditors' report and our review of the unaudited interim financial statements incorporated by reference in the offering memorandum, and set out the procedures performed at the underwriter's request and the results of performing those procedures.

We will provide a comfort letter to the underwriter which we will prepare in accordance with the guidance contained in CICA Section 7200, subject to our receipt of a letter of representation from the underwriter regarding the offering memorandum which is satisfactory to us. We will advise you of the matters on which the underwriter is seeking comfort and the procedures they are requesting. As the Company, not the underwriter, will bear the cost of preparing the comfort letter, we will discuss with you the practicality and effectiveness of the requested procedures in providing the desired comfort.

In accordance with professional standards, our audit was carried out solely for the purpose of providing us with sufficient appropriate audit evidence to support our opinion on the financial statements referred to above. There is no assurance that the procedures we perform for purposes of the comfort letter will address all of the questions that the underwriter and the underwriter's legal counsel may have. You should be aware that there could be sensitive matters that the underwriter and the underwriter's legal counsel may ask us to address in the comfort letter that could affect the outcome of the proposed offering of the convertible senior notes.

You acknowledge that we have no responsibility to you if the results of our procedures result in termination of, or change in, the proposed convertible senior notes offering. You also acknowledge that you have requested us to cooperate in every way with the underwriter and the underwriter's legal counsel, by performing the requested procedures.

You also agree to indemnify and hold harmless all members of the engagement team and Ernst & Young LLP from any claim by the underwriter and the underwriter's legal counsel, or any other third party, that arises as a result of our comfort letter.

We shall advise the underwriter that information acquired by them in our comfort letter is confidential and is to be used only in connection with the convertible senior notes offering referred to above.



Fees

Our fees will be billed as work progresses are based on the amount of time required. Payment in full should be made within 30 days of the date each billing is received. Hourly rates for our professionals for this engagement, in Canadian dollars, are set out below. All fees and rates quoted excluded applicable taxes. Direct out-of-pocket expenses will be invoiced to you at our cost.

Level	Hourly rate
Partner	\$650
Senior Manager	\$450
Manager	\$350
Senior	\$225
Staff	\$150

Our estimated fees and schedule of performance are based upon, among other things, the assumption that all necessary information will be available to us on a timely basis and that the scope of our services is not expanded beyond those described herein. Should our assumptions with respect to these matters be incorrect or should the condition of the records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates.

We very much appreciate the opportunity to provide services to the Company in respect of the offering memorandum and would be pleased to furnish any additional information you may request concerning our responsibilities and functions. Please let us know immediately if you have any concerns about the terms of engagement as described in this letter.

Additional terms and conditions are attached and form an integral part of this engagement letter; they govern our respective rights and obligations arising out of this engagement.



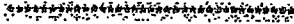
ERNST & YOUNG

International Exempt Offering Memorandum

To confirm these arrangements as outlined are in accordance with your requirements and are acceptable, please sign one copy of this letter in the space provided and return it to us.

Yours very truly,

Chartered Accountants



Agreed:
Sino-Forest Corporation

by
Name: Mr. David Horsley
Title: Chief Financial Officer

Acknowledged on behalf of the
Company's Audit Committee:

by
Name: Mr. James Flynn
Title: Chair of the Audit Committee



Terms and Conditions

Except as otherwise specifically provided in the engagement letter or contract to which these terms and conditions are attached (collectively, the "Agreement") the following additional terms and conditions shall apply. As used herein "EY" refers to the Canadian firm of Ernst & Young LLP. "EY Entities" means EY, all members of the global Ernst & Young network, Ernst & Young Global Limited, and any of their respective affiliates (and "EY Entity" means any one of them).

1. **Services** - EY shall exercise due professional care and competence in the performance of the services provided pursuant to this Agreement (the "Services").
2. **Unexpected events** - If changes to the scope or timing of any Services are required because of a change in applicable law or professional standards or events beyond a party's reasonable control, but not involving its fault or negligence (any of which, a "Change"), the parties agree to adjust the fees for, and/or timing of, the Services appropriately and, if necessary, Client will obtain Audit Committee approval of such adjustments. Each party shall be excused from default or delay in the performance of its obligations (other than payment obligations) under this Agreement to the extent caused by a Change.
3. **Client data and information** - Client will provide, or cause to be provided, to EY in a timely manner complete and accurate data and information ("Client Data") and access to resources as may be reasonably required by EY to perform the Services. EY may disclose Client Data, including personal information, to other EY Entities for the purposes of (i) rendering the Services, (ii) fulfilling EY Entities' professional obligations to manage conflicts of interest and to maintain auditor independence and (iii) implementing standardized performance recording and documentation systems within the global Ernst & Young network. EY Entities or their service providers may process and store Client Data, which may include personal information, outside of Canada.
4. **Confidentiality** - Subject to the other terms of this Agreement, both Client and EY agree that they will take reasonable steps to maintain the confidentiality of any proprietary or confidential information of the other.
5. **Privacy** - Client confirms to EY that it has obtained any consents that may be required under applicable privacy legislation for any collection, use or disclosure of personal information that is necessary in order for EY to provide the Services. EY shall adhere to applicable privacy legislation when dealing with personal information that was obtained from Client. Personal information is collected, used and disclosed by EY in accordance with EY's privacy policy, which is available at <http://www.ey.com/ca>.
6. **Auditor oversight** - Client hereby acknowledges that EY may from time to time receive requests or orders from the Canadian Public Accountability Board or from professional, securities or other regulatory or governmental authorities that fulfill similar functions (both in Canada and abroad) to provide them with information and copies of documents in EY's files including EY's working papers, and other work-product relating to Client's affairs. Client consents to EY providing or producing, as applicable, these documents and information without further reference to, or



authority from, Client. Except where prohibited by law, if a request or order is directly related to an inspection or investigation of EY's audit of Client, EY will advise Client of the request or order.

When a regulatory authority requests access to EY's working papers and other work-product relating to Client's affairs, EY will, on a reasonable efforts basis, refuse access to any document over which Client has expressly informed EY that Client asserts privilege, except where disclosure of documents is required by law or requested by a provincial Institute/Order of Chartered Accountants pursuant to its statutory authority. Client must mark any document over which it asserts privilege as privileged and inform EY of the grounds for Client's assertion of privilege (such as whether it claims solicitor-Client privilege or litigation privilege).

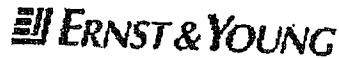
EY will also be required to provide information relating to the fees that EY collects from Client for the provision of audit services, other accounting services and non-audit services.

7. **Internet communications** - Unless otherwise agreed with Client, EY and other EY Entities may correspond by means of the Internet or other electronic media or provide information to Client in electronic form. There are inherent risks associated with the electronic transmission of information on the Internet or otherwise. EY cannot guarantee the security and integrity of any electronic communications sent or received in relation to this engagement and cannot guarantee that transmissions or other electronic information will be free from infection by viruses or other forms of malicious software.
8. **Right to terminate services** - Subject to any applicable professional standards and legislation, either party may terminate this Agreement, with or without cause, by providing written notice to the other party. In the event of early termination, for whatever reason, Client will be invoiced for time and expenses incurred up to the end of the notice period together with reasonable time and expenses incurred to bring the engagement to a close in a prompt and orderly manner. EY shall also have the right, upon 7 days prior notice, to suspend performance of the Services in the event Client fails to pay any amount required to be paid under this Agreement.
9. **Expenses** - Client shall reimburse EY for all reasonable expenses incurred in connection with the performance of the Services. The costs of administrative items such as telephone, research material, facsimile, overnight mail, messenger, administrative support, among others will be billed to Client at 11.5% of EY's fees for professional services. Reasonable and customary out-of-pocket expenses for items such as travel, meals, accommodations and other expenses specifically related to this engagement will also be charged.
10. **Billing and taxes** - Bills including expenses will be rendered on a regular basis as the assignment progresses. Accounts are due when rendered. Interest on overdue accounts is calculated at the rate noted on the invoice commencing 30 days following the date of the invoice. The fees, expenses and other charges payable pursuant to this Agreement do not include taxes or duties. All applicable taxes or duties, whether presently in force or imposed in the future, shall be assumed and paid by Client without deduction from the fees, expenses and charges hereunder.



11. **Governing law** - This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to principles of conflicts of law. The parties hereby irrevocably and unconditionally submit and attorn to the exclusive jurisdiction of the courts of the Province of Ontario in connection with any dispute, claim or other matter arising out of or relating to this Agreement or the Services.
12. **EY reports** - EY retains all copyright and other intellectual property rights in everything created by EY before or during the course of an engagement, including all EY reports, advice or other EY communications of any kind ("EY Reports") and all methodologies, tools, systems, software and working papers created by EY. Any EY Reports are intended solely for the purpose described in the engagement letter or contract to which these terms and conditions are attached. Except as otherwise specifically agreed in such engagement letter or contract Client shall not refer to EY or reproduce, quote or refer to any EY Report (or any portion, summary or abstract thereof) in any document filed or distributed in connection with (i) a purchase or sale of securities or (ii) continuous disclosure obligations under applicable securities laws. EY assumes no duty, obligation or responsibility whatsoever to any third parties that obtain access to an EY Report (i.e. parties other than those to whom an EY Report is addressed). Any services or procedures performed for Client will not be planned or conducted (i) in contemplation of reliance by third parties (ii) with respect to any specific transactions contemplated by third parties or (iii) with respect to the interests or requirements of third parties. Client may not rely on any draft EY Report.
13. **Limitation of liability** - To the fullest extent permitted by law and regardless of whether such liability is based on breach of contract, tort (including negligence), breach of statute, strict liability, failure of essential purpose or otherwise,
- (a) EY's liability shall be several and not joint and several, solidary or in solidum and EY shall only be liable for its proportionate share of any total liability based on degree of fault having regard to the contribution to any loss or damage in question of any other persons responsible and/or liable for such loss and damage;
 - (b) in no event shall either party be liable to the other for any consequential, incidental, indirect, punitive or special damages (including loss of profits, data, business or goodwill) in connection with the performance of the Services or otherwise under this Agreement, even if the relevant party has been advised of the likelihood of such damages; and
 - (c) in any case the total aggregate liability of EY arising out of or relating to this Agreement or the Services shall be limited to the greater of (i) the total fees paid to EY for the Services and (ii) \$1,000,000. This paragraph (c) shall not limit liability for death, bodily injury, physical damage to tangible property, fraud or wilful misconduct.

For the purposes of this section ("Limitation of Liability"), the term EY includes all other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity.



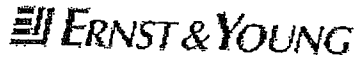
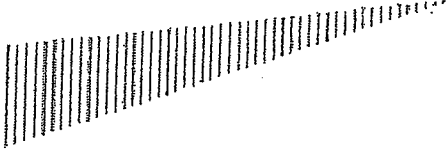
14. **Global resources** - EY may use the services of personnel from other EY Entities to assist it in providing the Services. EY shall be solely responsible for the performance of the Services and all of the other liabilities and obligations of EY under this Agreement whether or not performed, in whole or part, by EY, any other EY Entity, or any subcontractor or personnel of any EY Entity. Client and its affiliates or other persons or entities for or in respect of which any of the Services are provided shall have no recourse, and shall bring no claim (whether in contract, tort, or otherwise) against any EY Entity other than EY, or against any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity, or any of their respective assets, in connection with the performance of the Services or otherwise under the Agreement. Other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity shall have the express benefit of this section and shall have the right to rely on and enforce any of its terms.
15. **No application** - The preceding two sections (Limitation of Liability, Global Resources) shall not apply to the extent prohibited by applicable law or regulation (including for these purposes applicable rules and interpretations of the US Securities and Exchange Commission relating to auditor independence and any applicable rules or guidance from a provincial Institute/Order of Chartered Accountants having jurisdiction).
16. **Solicitation and hiring of EY personnel** - EY's independence could be compromised if Client were to hire certain EY personnel. Without the prior written consent of EY, Client shall not solicit for employment or for a position on its Board of Directors, nor hire, any current or former partner or professional employee of any of EY, any affiliate thereof or any other EY Entity, if such partner or professional employee has been involved in the performance of any audit, review, attest or assurance service for or relating to Client at any time since the date of filing of Client's most recent financial statements with the relevant securities regulator(s) or stock exchange(s) (or, if Client has not previously filed such financial statements, since the beginning of the most recent fiscal year to be covered by Client's first such financial statements), or in the 12 months preceding that date.
17. **Severability** - In the event any provision of this Agreement is determined to be invalid, illegal or unenforceable, in whole or in part, such provision shall be deemed severed from this Agreement to the extent required and the remainder of this Agreement shall remain in full force and effect.
18. **Legal proceedings** - In the event EY is requested by Client or is required by government regulation, subpoena, or other legal process to produce documents or personnel as witnesses with respect to the engagement for Client, and provided that EY is not a party to the legal proceedings, Client shall reimburse EY for professional time and expenses, as well as the fees and expenses of counsel, incurred in responding to such requests.
19. **LLP status** - EY is a registered limited liability partnership ("LLP") continued under the laws of the province of Ontario and is registered as an extra-provincial LLP in Quebec and other Canadian provinces. Generally, a partner of an LLP has a degree of limited liability protection in that he or she is not personally liable for any debts, obligations or liabilities of the LLP that arise from the negligence of another partner or any person under that partner's direct supervision or control. As an LLP, EY is required to maintain certain insurance. EY's insurance exceeds the



mandatory professional liability insurance requirements established by any provincial Institute/Order of Chartered Accountants.

20. **Miscellaneous** - EY shall provide all Services as an independent contractor and nothing shall be construed to create a partnership, joint venture or other relationship between EY and Client. Neither party shall have the right, power or authority to obligate or bind the other in any manner. This Agreement shall not be modified except by written agreement signed by the parties. This Agreement may not be assigned in whole or in part by Client without EY's prior written consent, not to be unreasonably withheld. Any terms and provisions of this Agreement that by their nature operate beyond the term or expiry of this Agreement shall survive the termination or expiry of this Agreement, including without limitation those provisions headed Client Data & Information, Confidentiality, Auditor Oversight, Limitation of Liability, Global Resources, Solicitation & Hiring of EY Personnel, and Legal Proceedings. This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns. The provisions of this Agreement shall operate for the benefit of, and may be enforced by, other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity. This Agreement constitutes the entire agreement between the parties relating to its subject matter and supersedes all prior representations, negotiations and understandings.

**November 17, 2009 International Exempt Offering Memorandum
engagement letter**



Ernst & Young LLP
Chartered Accountants
Pacific Centre
700 West Georgia Street
P.O. Box 10101
Vancouver, British Columbia V7Y 1C7
Tel: 604 891 8200
Fax: 604 643 3422
ey.com/ca

November 17, 2009

Mr. James Hyde
Chair of the Audit Committee
Sino-Forest Corporation
90 Burnhamthorpe Rd W., Suite 1208
Mississauga, ON, L5B 3C3

Re: International Exempt Offering Memorandum ("Offering Memorandum")

This will confirm the engagement of Ernst & Young LLP ("we" or "EY") to perform services in respect of the Offering Memorandum for Sino-Forest Corporation (the "Company") for the purposes of the international offering of common shares outside of Canada (the "Offering Memorandum"). Our partner, Linda Zhu, will have primary responsibility for this engagement.

Management of the Company and the underwriter bear the primary responsibility to ensure the Offering Memorandum contains no misrepresentations. Our procedures with respect to this engagement will be performed in accordance with our professional standards as set out in CICA Section 7110 – *Auditor Involvement with Offering Documents of Public and Private Entities*, and other requirements as set out hereunder. These procedures are designed to enable us to issue our consent to the use of our auditors' report to demonstrate to readers that we have been involved with the Offering Memorandum. Our consent is to be included in the Offering Memorandum.

Audited financial statements

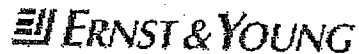
We have audited the balance sheets of the Company as at December 31, 2008 and 2007, and the statements of income and retained earnings, comprehensive income and cash flows for the years then ended. Our report to the shareholders on the comparative annual financial statements for the year ended December 31, 2008 was dated March 13, 2009 and is to be incorporated by reference in the Offering Memorandum. Our report to the directors of the company on the 2007 financial statements dated March 12, 2008 except as to notes 2, 18 and 23 which are as of July 17, 2008 will also be incorporated by reference in the Offering Memorandum.

In order to provide our consent to the use of our auditors' reports in the Offering Memorandum, it will be necessary for us to perform subsequent events review procedures with respect to the Offering Memorandum and any updates thereof, and the closing of the offering. This work is expected to be comprised of limited enquiry and review procedures designed to provide assurance that management has identified events arising after the date of the auditors' reports in the Offering Memorandum that may require an adjustment to, or disclosure in, the audited financial statements or other information in the Offering

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Approved by Ernst & Young Chartered Accountants

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Memorandum that is derived from such financial statements. We are also required to update our communications with the Company's legal counsel and obtain representations from management similar to those we customarily receive as part of our annual audit.

Unaudited interim financial statements

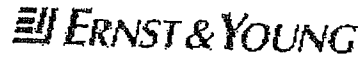
Comparative interim financial statements for the most recently completed financial period are incorporated by reference in the Offering Memorandum. In order to consent to the use of our auditors' report in the Offering Memorandum described above, our professional standards require that we carry out certain procedures including a review of the Company's interim financial statements for the three and nine months ended September 30, 2009 and 2008 and any other interim financial statements that may be issued and incorporated by reference in the Offering Memorandum. We have reviewed the interim consolidated financial statement for the three and nine month period ended September 30, 2009 and 2008 and provided our report thereon to the audit committee of Sino-Forest Corporation. In order for the interim financial statements for the three and nine months period ended September 30, 2009 and 2008 to be incorporated by reference in the Offering Memorandum, we will have to complete additional subsequent event review procedures.

If the final Offering Memorandum is delayed, the company may determine that it is necessary to update the interim financial statements. If such is the case, then we would have to perform additional review procedures on the updated unaudited interim financial statements.

The review procedures we carry out are significantly less extensive than an audit and would not necessarily reveal matters requiring adjustments to or disclosures in the interim financial information. Further, adjustments and disclosures may later be determined to be necessary as a result of our subsequent audit of the 2009 financial statements that include such interim periods. Accordingly, the review procedures do not result in the expression of an audit opinion on the interim financial statements.

If information comes to our attention which leads us to question whether the interim financial statements are materially in error or not in accordance with generally accepted accounting principles, we will inform you and discuss what further action is required.

If as a result of our work we are required to express a reservation in our report on our review of the unaudited interim financial statements to be incorporated by reference in the Offering Memorandum, we will provide a written report on our review thereof to be included in the Offering Memorandum.



Other information in the Offering Memorandum

In addition to financial statements, the Offering Memorandum includes other financial information and information of a non-financial nature. As such other information may be relevant to the financial statements and our audit or review thereof, we will perform procedures to determine whether this other financial and non-financial information is consistent with the audited and unaudited financial statements in the Offering Memorandum in accordance with the guidance in CICA Section 7500.

If we become aware of information that, although not inconsistent with the financial statements, appears to constitute a misrepresentation when reading the Offering Memorandum, we will discuss the matter with management or with the Company's legal counsel, with the consent of management. We may wish to receive written confirmation from legal counsel of their view on the matter. In the event that the apparent inconsistency is not resolved to our satisfaction, we will advise the Audit Committee and consider whether our consent may be provided.

Communications required by other parties

Upon the request of the underwriter, we will issue the following letters:

Upon filing the preliminary prospectus:

- (i) An unsigned comfort letter addressed to the Directors of the Company and the underwriter expressing assurances with respect to specified financial information included in the Offering Memorandum;

Upon filing the final prospectus:

- (i) Consent letters addressed to the underwriter, in which we give our consent to the use of our report in the Offering Memorandum;
- (ii) A comfort letter addressed to the Directors of the Company and the underwriter expressing assurances with respect to specified financial information included in the Offering Memorandum;

Upon closing of the prospectus:

- (i) An updated comfort letter addressed to the Directors of the Company and the underwriter.



Auditor assistance to the underwriter

We understand that the underwriter wishes for us to perform certain procedures for the purpose of issuing a comfort letter to the underwriter relating to the Offering Memorandum. The comfort letter would make reference to our auditors' report and our review of the unaudited interim financial statements incorporated by reference in the Offering Memorandum, and set out the procedures performed at the underwriter's request and the results of performing those procedures.

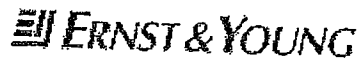
We will provide a comfort letter to the underwriter which we will prepare in accordance with the guidance contained in CICA Section 7200, subject to our receipt of a letter of representation from the underwriter regarding the Offering Memorandum which is satisfactory to us. We will advise you of the matters on which the underwriter is seeking comfort and the procedures they are requesting. As the Company, not the underwriter, will bear the cost of preparing the comfort letter, we will discuss with you the practicality and effectiveness of the requested procedures in providing the desired comfort.

In accordance with professional standards, our audit was carried out solely for the purpose of providing us with sufficient appropriate audit evidence to support our opinion on the financial statements referred to above. There is no assurance that the procedures we perform for purposes of the comfort letter will address all of the questions that the underwriter and the underwriter's legal counsel may have. You should be aware that there could be sensitive matters that the underwriter and the underwriter's legal counsel may ask us to address in the comfort letter that could affect the outcome of the proposed offering of securities.

You acknowledge that we have no responsibility to you if the results of our procedures result in termination of, or change in, the proposed securities offering. You also acknowledge that you have requested us to cooperate in every way with the underwriter and the underwriter's legal counsel, by performing the requested procedures.

You also agree to indemnify and hold harmless all members of the engagement team and Ernst & Young LLP from any claim by the underwriter and the underwriter's legal counsel, or any other third party, that arises as a result of our comfort letter.

We shall advise the underwriter that information acquired by them in our comfort letter is confidential and is to be used only in connection with the securities offering referred to above.



Fees

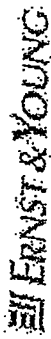
Our fees will be billed as work progresses are based on the amount of time required. Payment in full should be made within 30 days of the date each billing is received. Hourly rates for our professionals for this engagement, in Canadian dollars, are set out below. All fees and rates quoted excluded applicable taxes. Direct out-of-pocket expenses will be invoiced to you at our cost.

Level	Hourly rate
Partner	\$650
Senior Manager	\$450
Manager	\$350
Senior	\$225
Staff	\$150

Our estimated fees and schedule of performance are based upon, among other things, the assumption that all necessary information will be available to us on a timely basis and that the scope of our services is not expanded beyond those described herein. Should our assumptions with respect to these matters be incorrect or should the condition of the records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates.

We very much appreciate the opportunity to provide services to the Company in respect of the Offering Memorandum and would be pleased to furnish any additional information you may request concerning our responsibilities and functions. Please let us know immediately if you have any concerns about the terms of engagement as described in this letter.

Additional terms and conditions are attached and form an integral part of this engagement letter; they govern our respective rights and obligations arising out of this engagement.



Offering Memorandum

To confirm these arrangements as outlined are in accordance with your requirements and, an acceptable, please sign one copy of this letter in the space provided and return it to us.

Yours very truly,

Ernst & Young LLP

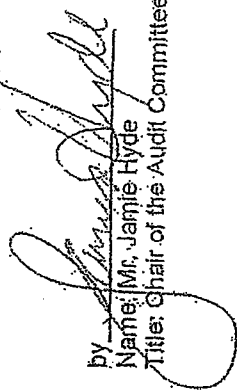
Chartered Accountants

Agreed:
Sino-Forest Corporation

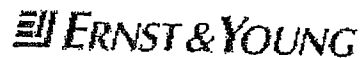
by 
Name: Mr. David Horsley
Title: Chief Financial Officer

I have the authority to bind the Company.

Acknowledged on behalf of the
Company's Audit Committee:

by 
Name: Mr. Jamie Hyde
Title: Chair of the Audit Committee


NOV 23 2009



Terms and conditions

Except as otherwise specifically provided in the engagement letter or contract to which these terms and conditions are attached (collectively, the "Agreement") the following additional terms and conditions shall apply. As used herein "EY" refers to the Canadian firm of Ernst & Young LLP. "EY Entities" means EY, all members of the global Ernst & Young network, Ernst & Young Global Limited, and any of their respective affiliates (and "EY Entity" means any one of them).

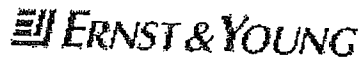
1. **Services** - EY shall exercise due professional care and competence in the performance of the services provided pursuant to this Agreement (the "Services").
2. **Unexpected events** - If changes to the scope or timing of any Services are required because of a change in applicable law or professional standards or events beyond a party's reasonable control, but not involving its fault or negligence (any of which, a "Change"), the parties agree to adjust the fees for, and/or timing of, the Services appropriately and, if necessary, Client will obtain Audit Committee approval of such adjustments. Each party shall be excused from default or delay in the performance of its obligations (other than payment obligations) under this Agreement to the extent caused by a Change.
3. **Client data and information** - Client will provide, or cause to be provided, to EY in a timely manner complete and accurate data and information ("Client Data") and access to resources as may be reasonably required by EY to perform the Services. EY may disclose Client Data, including personal information, to other EY Entities for the purposes of (i) rendering the Services, (ii) fulfilling EY Entities' professional obligations to manage conflicts of interest and to maintain auditor independence and (iii) implementing standardized performance recording and documentation systems within the global Ernst & Young network. EY Entities or their service providers may process and store Client Data, which may include personal information, outside of Canada.
4. **Confidentiality** - Subject to the other terms of this Agreement, both Client and EY agree that they will take reasonable steps to maintain the confidentiality of any proprietary or confidential information of the other.
5. **Privacy** - Client confirms to EY that it has obtained any consents that may be required under applicable privacy legislation for any collection, use or disclosure of personal information that is necessary in order for EY to provide the Services. EY shall adhere to applicable privacy legislation when dealing with personal information that was obtained from Client. Personal information is collected, used and disclosed by EY in accordance with EY's privacy policy, which is available at <http://www.ey.com/ca>.

6. **Auditor oversight** - Client hereby acknowledges that EY may from time to time receive requests or orders from the Canadian Public Accountability Board or from professional, securities or other regulatory or governmental authorities that fulfill similar functions (both in Canada and abroad) to provide them with information and copies of documents in EY's files including EY's working papers, and other work-product relating to Client's affairs. Client consents to EY providing or producing, as applicable, these documents and information without further reference to, or authority from, Client. Except where prohibited by law, if a request or order is directly related to an inspection or investigation of EY's audit of Client, EY will advise Client of the request or order.

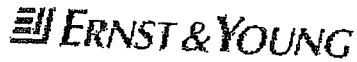
When a regulatory authority requests access to EY's working papers and other work-product relating to Client's affairs, EY will, on a reasonable efforts basis, refuse access to any document over which Client has expressly informed EY that Client asserts privilege, except where disclosure of documents is required by law or requested by a provincial Institute/Order of Chartered Accountants pursuant to its statutory authority. Client must mark any document over which it asserts privilege as privileged and inform EY of the grounds for Client's assertion of privilege (such as whether it claims solicitor-Client privilege or litigation privilege).

EY will also be required to provide information relating to the fees that EY collects from Client for the provision of audit services, other accounting services and non-audit services.

7. **Internet communications** - Unless otherwise agreed with Client, EY and other EY Entities may correspond by means of the Internet or other electronic media or provide information to Client in electronic form. There are inherent risks associated with the electronic transmission of information on the Internet or otherwise. EY cannot guarantee the security and integrity of any electronic communications sent or received in relation to this engagement and cannot guarantee that transmissions or other electronic information will be free from infection by viruses or other forms of malicious software.
8. **Right to terminate services** - Subject to any applicable professional standards and legislation, either party may terminate this Agreement, with or without cause, by providing written notice to the other party. In the event of early termination, for whatever reason, Client will be invoiced for time and expenses incurred up to the end of the notice period together with reasonable time and expenses incurred to bring the engagement to a close in a prompt and orderly manner. EY shall also have the right, upon 7 days prior notice, to suspend performance of the Services in the event Client fails to pay any amount required to be paid under this Agreement.



9. **Expenses** - Client shall reimburse EY for all reasonable expenses incurred in connection with the performance of the Services. The costs of administrative items such as telephone, research material, facsimile, overnight mail, messenger, administrative support, among others will be billed to Client at 11.5% of EY's fees for professional services. Reasonable and customary out-of-pocket expenses for items such as travel, meals, accommodations and other expenses specifically related to this engagement will also be charged.
10. **Billing and taxes** - Bills including expenses will be rendered on a regular basis as the assignment progresses. Accounts are due when rendered. Interest on overdue accounts is calculated at the rate noted on the invoice commencing 30 days following the date of the invoice. The fees, expenses and other charges payable pursuant to this Agreement do not include taxes or duties. All applicable taxes or duties, whether presently in force or imposed in the future, shall be assumed and paid by Client without deduction from the fees, expenses and charges hereunder.
11. **Governing law** - This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to principles of conflicts of law. The parties hereby irrevocably and unconditionally submit and attorn to the exclusive jurisdiction of the courts of the Province of Ontario in connection with any dispute, claim or other matter arising out of or relating to this Agreement or the Services.
12. **EY reports** - EY retains all copyright and other intellectual property rights in everything created by EY before or during the course of an engagement, including all EY reports, advice or other EY communications of any kind ("EY Reports") and all methodologies, tools, systems, software and working papers created by EY. Any EY Reports are intended solely for the purpose described in the engagement letter or contract to which these terms and conditions are attached. Except as otherwise specifically agreed in such engagement letter or contract Client shall not refer to EY or reproduce, quote or refer to any EY Report (or any portion, summary or abstract thereof) in any document filed or distributed in connection with (i) a purchase or sale of securities or (ii) continuous disclosure obligations under applicable securities laws. EY assumes no duty, obligation or responsibility whatsoever to any third parties that obtain access to an EY Report (i.e. parties other than those to whom an EY Report is addressed). Any services or procedures performed for Client will not be planned or conducted (i) in contemplation of reliance by third parties (ii) with respect to any specific transactions contemplated by third parties or (iii) with respect to the interests or requirements of third parties. Client may not rely on any draft EY Report.



13. **Limitation of liability** - To the fullest extent permitted by law and regardless of whether such liability is based on breach of contract, tort (including negligence), breach of statute, strict liability, failure of essential purpose or otherwise,

(a) EY's liability shall be several and not joint and several, solidary or in solidum and EY shall only be liable for its proportionate share of any total liability based on degree of fault having regard to the contribution to any loss or damage in question of any other persons responsible and/or liable for such loss and damage;

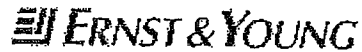
(b) in no event shall either party be liable to the other for any consequential, incidental, indirect, punitive or special damages (including loss of profits, data, business or goodwill) in connection with the performance of the Services or otherwise under this Agreement, even if the relevant party has been advised of the likelihood of such damages; and

(c) in any case the total aggregate liability of EY arising out of or relating to this Agreement or the Services shall be limited to the greater of (i) the total fees paid to EY for the Services and (ii) \$1,000,000. This paragraph (c) shall not limit liability for death, bodily injury, physical damage to tangible property, fraud or wilful misconduct.

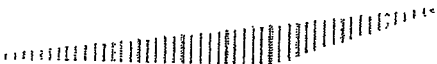
For the purposes of this section ("Limitation of Liability"), the term EY includes all other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity.

14. **Global resources** - EY may use the services of personnel from other EY Entities to assist it in providing the Services. EY shall be solely responsible for the performance of the Services and all of the other liabilities and obligations of EY under this Agreement whether or not performed, in whole or part, by EY, any other EY Entity, or any subcontractor or personnel of any EY Entity. Client and its affiliates or other persons or entities for or in respect of which any of the Services are provided shall have no recourse, and shall bring no claim (whether in contract, tort, or otherwise) against any EY Entity other than EY, or against any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity, or any of their respective assets, in connection with the performance of the Services or otherwise under the Agreement. Other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity shall have the express benefit of this section and shall have the right to rely on and enforce any of its terms.

15. **No application** - The preceding two sections (Limitation of Liability, Global Resources) shall not apply to the extent prohibited by applicable law or regulation (including for these purposes applicable rules and interpretations of the US Securities and Exchange Commission relating to auditor independence and any applicable rules or guidance from a provincial Institute/Order of Chartered Accountants having jurisdiction).



16. **Solicitation and hiring of EY personnel** - EY's independence could be compromised if Client were to hire certain EY personnel. Without the prior written consent of EY, Client shall not solicit for employment or for a position on its Board of Directors, nor hire, any current or former partner or professional employee of any of EY, any affiliate thereof or any other EY Entity, if such partner or professional employee has been involved in the performance of any audit, review, attest or assurance service for or relating to Client at any time since the date of filing of Client's most recent financial statements with the relevant securities regulator(s) or stock exchange(s) (or, if Client has not previously filed such financial statements, since the beginning of the most recent fiscal year to be covered by Client's first such financial statements), or in the 12 months preceding that date.
17. **Severability** - In the event any provision of this Agreement is determined to be invalid, illegal or unenforceable, in whole or in part, such provision shall be deemed severed from this Agreement to the extent required and the remainder of this Agreement shall remain in full force and effect.
18. **Legal proceedings** - In the event EY is requested by Client or is required by government regulation, subpoena, or other legal process to produce documents or personnel as witnesses with respect to the engagement for Client, and provided that EY is not a party to the legal proceedings, Client shall reimburse EY for professional time and expenses, as well as the fees and expenses of counsel, incurred in responding to such requests.
19. **LLP status** - EY is a registered limited liability partnership ("LLP") continued under the laws of the province of Ontario and is registered as an extra-provincial LLP in Quebec and other Canadian provinces. Generally, a partner of an LLP has a degree of limited liability protection in that he or she is not personally liable for any debts, obligations or liabilities of the LLP that arise from the negligence of another partner or any person under that partner's direct supervision or control. As an LLP, EY is required to maintain certain insurance. EY's insurance exceeds the mandatory professional liability insurance requirements established by any provincial Institute/Order of Chartered Accountants.



EDMUND P. VOLINS

20. **Miscellaneous** - EY shall provide all Services as an independent contractor and nothing shall be construed to create a partnership, joint venture or other relationship between EY and Client. Neither party shall have the right, power or authority to obligate or bind the other in any manner. This Agreement shall not be modified except by written agreement signed by the parties. This Agreement may not be assigned in whole or in part by Client without EY's prior written consent, not to be unreasonably withheld. Any terms and provisions of this Agreement that by their nature operate beyond the term or expiry of this Agreement shall survive the termination or expiry of this Agreement, including without limitation those provisions headed Client Data & Information, Confidentiality, Auditor Oversight, Limitation of Liability, Global Resources, Solicitation & Hiring of EY Personnel, and Legal Proceedings. This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns. The provisions of this Agreement shall operate for the benefit of, and may be enforced by, other EY Entities and any subcontractors, members, shareholders, directors, officers, managers, partners or employees of EY or any other EY Entity. This Agreement constitutes the entire agreement between the parties relating to its subject matter and supersedes all prior representations, negotiations and understandings.

**September 28, 2010 offering memorandum engagement letter for
Guaranteed Senior Notes due 2017**



Ernst & Young LLP
Chartered Accountants
Ernst & Young Tower
222 Bay Street, P.O. Box 251
Toronto, Ontario M5K 1J7
Tel: 416 864 1234
Fax: 416 864 1174
ey.com/ca

Mr. David Horsley
Chief Financial Officer
Sino-Forest Corporation
90 Burnhamthorpe Rd. W., Suite 1208
Mississauga, Ontario L5B 3C3

28 September 2010

Offering Memorandum

Dear Mr. Horsley:

This will confirm the engagement of Ernst & Young LLP ("we" or "EY") to perform services in respect of the Offering Memorandum for Sino-Forest Corporation (the "Company") for the offer to issue \$500,000,000 Guaranteed Senior Notes due 2017 (the "Senior Notes"). Our partners, Fred Clifford and Josephine Man, will have primary responsibility for this engagement.

Management of the Company and the underwriter bear the primary responsibility to ensure the Offering Memorandum contains no misrepresentations. Our procedures with respect to this engagement will be performed in accordance with our professional standards as set out in CICA Section 7110 - Auditor Involvement with Offering Documents of Public and Private Entities, and other requirements as set out hereunder. These procedures are designed to enable us to issue our consent to the use of our auditors' report to demonstrate to readers that we have been involved with the Offering Memorandum. Our consent is to be included in the Offering Memorandum.

Audited financial statements

We have audited the balance sheets of the Company as at 31 December 2009, 2008 and 2007, and the statements of income, retained earnings and cash flows for each of the years then ended. Our reports to the shareholders was dated 15 March 2010 on the financial statements for the years ended 31 December 2009 and 2008, and 13 March 2009 on the financial statements for the years ended 31 December 2008 and 2007. Our auditors' report for the years ended 31 December 2009 and 2008 and for the years ended 31 December 2008 and 2007 are to be incorporated by reference in the Offering Memorandum.

In order to provide our consent to the use of our auditors' report in the Offering Memorandum, it will be necessary for us to perform subsequent events review procedures with respect to the Offering Memorandum and any updates thereof, and the closing of the offering. This work is expected to be comprised of limited enquiry and review procedures designed to provide assurance that management has identified events arising after the date of the auditors' report in the Offering Memorandum that may require an adjustment to, or disclosure in, the audited financial statements or other information in the Offering Memorandum that is derived from such financial statements.

[Handwritten signature]
Sept 28/10

We are also required to update our communications with the Company's legal counsel and obtain representations from management similar to those we customarily receive as part of our annual audit.

Unaudited Interim financial statements

Comparative interim financial statements for the most recently completed financial period are incorporated by reference in the Offering Memorandum. In order to consent to the use of our auditors' report in the Offering Memorandum described above, our professional standards require that we carry out certain procedures including a review of the Company's interim financial statements for the three and six month periods ended 30 June 2010 and 2009 and any other interim financial statements that may be issued and incorporated by reference in the Offering Memorandum. We have reviewed the interim consolidated financial statements for the three and six month periods ended 30 June 2010 and 2009 and provided our report thereon to the audit committee of the Company. In order for the interim financial statements for the three and six month periods ended 30 June 2010 and 2009 to be incorporated by reference in the Offering Memorandum, we will have to complete additional subsequent event review procedures.

If the Offering Memorandum is delayed, the Company may determine that it is necessary to update the interim financial statements. If such is the case, then we would have to perform additional review procedures on the updated unaudited interim financial statements.

The review procedures we carry out are significantly less extensive than an audit and would not necessarily reveal matters requiring adjustments to or disclosures in the interim financial information. Further, adjustments and disclosures may later be determined to be necessary as a result of our subsequent audit of the 2010 financial statements that include such interim periods. Accordingly, the review procedures do not result in the expression of an audit opinion on the interim financial statements.

If information comes to our attention which leads us to question whether the interim financial statements are materially in error or not in accordance with generally accepted accounting principles, we will inform you and discuss what further action is required.

If as a result of our work we are required to express a reservation in our report on our review of the unaudited interim financial statements to be incorporated by reference in the Offering Memorandum, we will provide a written report on our review thereof to be included in the Offering Memorandum.

Other information in the Offering Memorandum

In addition to financial statements, the Offering Memorandum includes other financial information and information of a non-financial nature. As such other information may be relevant to the financial statements and our audit or review thereof, we will perform procedures to determine whether this other financial and non-financial information is consistent with the audited and unaudited financial statements in the Offering Memorandum in accordance with the guidance in CICA Section 7500.



If we become aware of information that, although not inconsistent with the financial statements, appears to constitute a misrepresentation when reading the Offering Memorandum, we will discuss the matter with management or with the Company's legal counsel, with the consent of management. We may wish to receive written confirmation from legal counsel of their view on the matter. In the event that the apparent inconsistency is not resolved to our satisfaction, we will advise the Audit Committee and consider whether our consent may be provided.

Communications required by other parties

Upon the request of the underwriter, we will issue the following letters:

Upon completion of the Offering Memorandum:

- A consent letter addressed to the underwriter, in which we give our consent to the use of our report in the Offering Memorandum.
- A comfort letter addressed to the Directors of the Company and the underwriter expressing assurances with respect to specified financial information included or incorporated by reference in the Offering Memorandum.

Upon closing of the offering:

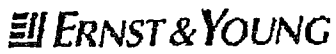
- A bring-down letter addressed to the Directors of the Company and the underwriter.

Auditor assistance to the underwriter

We understand that the underwriter wishes for us to perform certain procedures for the purpose of issuing a comfort letter to the underwriter relating to the Offering Memorandum. The comfort letter would make reference to our auditors' report and our review of the unaudited interim financial statements incorporated by reference in the Offering Memorandum, and set out the procedures performed at the underwriter's request and the results of performing those procedures.

We will provide a comfort letter to the underwriter which we will prepare in accordance with the guidance contained in CICA Section 7200, subject to our receipt of a letter of representation from the underwriter regarding the Offering Memorandum which is satisfactory to us. We will advise you of the matters on which the underwriter is seeking comfort and the procedures they are requesting. As the Company, not the underwriter, will bear the cost of preparing the comfort letter, we will discuss with you the practicality and effectiveness of the requested procedures in providing the desired comfort.

[Handwritten signature]
28 Sept 2010



28 September 2010 4

In accordance with professional standards, our audit was carried out solely for the purpose of providing us with sufficient appropriate audit evidence to support our opinion on the financial statements referred to above. There is no assurance that the procedures we perform for purposes of the comfort letter will address all of the questions that the underwriter and the underwriter's legal counsel may have. You should be aware that there could be sensitive matters that the underwriter and the underwriter's legal counsel may ask us to address in the comfort letter that could affect the outcome of the proposed offering of the convertible senior notes.

You acknowledge that we have no responsibility to you if the results of our procedures result in termination of, or change in, the proposed convertible senior notes offering. You also acknowledge that you have requested us to cooperate in every way with the underwriter and the underwriter's legal counsel, by performing the requested procedures.

You also agree to indemnify and hold harmless all members of the engagement team and Ernst & Young LLP from any claim by the underwriter and the underwriter's legal counsel, or any other third party, that arises as a result of our comfort letter.

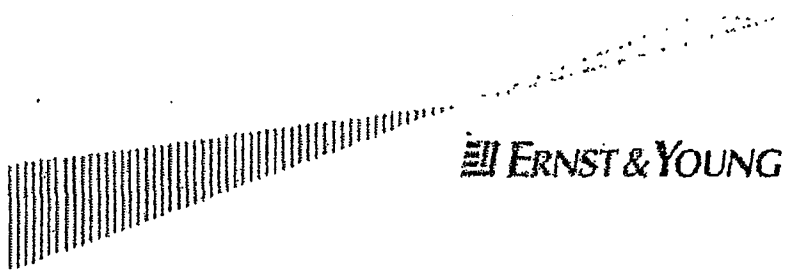
We shall advise the underwriter that information acquired by them in our comfort letter is confidential and is to be used only in connection with the convertible senior notes offering referred to above.

Fees

Our fees which will be billed as work progresses are based on the amount of time required. Payment in full should be made within 30 days of the date each billing is received. Hourly rates for our professionals for this engagement, in Canadian dollars, are set out below. All fees and rates quoted exclude applicable taxes. Direct out-of-pocket expenses will be invoiced to you at our cost.

<u>Level</u>	<u>Hourly rate</u>
Partner	\$650
Senior Manager	\$450
Manager	\$350
Senior	\$225
Staff	\$150

We very much appreciate the opportunity to provide services to the Company in respect of the Offering Memorandum and would be pleased to furnish any additional information you may request concerning our responsibilities and functions. Please let us know immediately if you have any concerns about the terms of engagement as described in this letter.



ERNST & YOUNG

28 September 2010 5

Additional terms and conditions are attached and form an integral part of this engagement letter; they govern our respective rights and obligations arising out of this engagement.

To confirm these arrangements as outlined are in accordance with your requirements and are acceptable, please sign one copy of this letter in the space provided and return it to us.

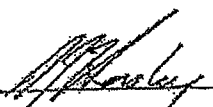
Sincerely,

Ernst + Young LLP

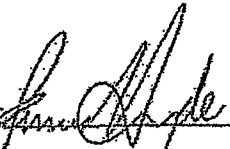
Chartered Accountants
Licensed Public Accountants

Agreed:
Sino-Forest Corporation

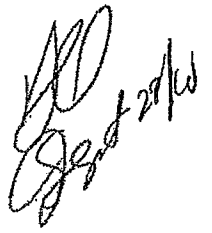
Acknowledged on behalf of the
Company's Audit Committee:

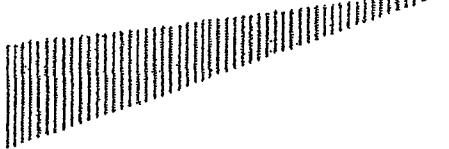
By: 

Name: Mr. David Horsley
Title: Chief Financial Officer

By: 

Name: Mr. James Hyde
Title: Chair of the Audit Committee


28/9/10



General Terms and Conditions

Our relationship with you

- 1. We are a member of the global network of Ernst & Young firms ("EY Firms"), each of which is a separate legal entity.
- 2. We may subcontract portions of the Services to other EY Firms, who may deal with you directly. Nevertheless, we alone will be responsible to you for the Report(s), the performance of the Services, and our other obligations under this Agreement.

Your responsibilities

- 3. You shall be responsible for your personnel's compliance with your obligations under this Agreement.

Our reports

- 4. You may not rely on any draft Report.

Notice re: Québec

- 5. From time to time, we may have individual partners and employees performing the Services within the Province of Québec who are members of the *Ordre des comptables agréés du Québec*. Any individual member of the *Ordre des comptables agréés du Québec* performing professional services hereunder assumes full personal civil liability arising from the practice of his or her profession, regardless of his or her status within our partnership. He or she may not invoke the liability of our partnership as a ground for excluding or limiting his or her own liability. The limitations that follow below under the heading "Limitations" shall therefore not apply to limit the personal civil liability of members of the *Ordre des comptables agréés du Québec* (and with respect to such members, such limitations shall be deemed to not be included in this Agreement).

Limitations

- 6. You (and any others for whom Services are provided) may not recover from us, in contract or tort (including negligence), under statute or otherwise, any amount with respect to loss of profit, data or goodwill, or any other consequential, incidental, indirect, punitive or special damages in connection with claims arising out of this Agreement or otherwise relating to the Services, whether or not the likelihood of such loss or damage was contemplated.
- 7. You (and any others for whom Services are provided) may not recover from us, in contract or tort (including negligence), under statute or otherwise, aggregate damages in excess of the greater of (i) the total fees paid to us for the Services and (ii) \$1,000,000. This limitation will not apply to losses caused by our fraud or willful misconduct or to the extent prohibited by applicable law or professional regulations.

8. If we are liable to you (or to any others for whom Services are provided) under this Agreement or otherwise in connection with the Services, for loss or damage to which any other persons have also contributed, our liability to you shall be several and not joint and several, solidary or *in solidum*, with such others, and shall be limited to our fair share of that total loss or damage, based on our contribution to the loss and damage relative to the others' contributions. No exclusion or limitation on the liability of other responsible persons imposed or agreed at any time shall affect any assessment of our proportionate liability hereunder, nor shall settlement of or difficulty enforcing any claim, or the death, dissolution or insolvency of any such other responsible persons or their ceasing to be liable for the loss or damage or any portion thereof, affect any such assessment.
9. You shall make any claim relating to the Services or otherwise under this Agreement no later than one year after you became aware (or ought reasonably to have become aware) of the facts giving rise to any alleged such claim and in any event, no later than two years after the completion of the particular Services (and the parties agree that the limitation periods established by the *Limitations Act, 2002* (Ontario) or any other applicable legislation shall be varied and/or excluded accordingly). This limitation will not apply to the extent prohibited by applicable law or professional regulations.
10. You may not make a claim or bring proceedings relating to the Services or otherwise under this Agreement against any other EY Firm or our or its subcontractors, members, shareholders, directors, officers, partners, principals or employees ("EY Persons"). You shall make any claim or bring proceedings only against us. The limitations in Sections 6 through 9 and this Section 10 are intended to benefit the other EY Firms and all EY Persons, who shall be entitled to rely on and enforce them.

Indemnity

11. To the fullest extent permitted by applicable law and professional regulations, you shall indemnify us, the other EY Firms and the EY Persons against all claims by third parties (including your affiliates) and resulting liabilities, losses, damages, costs and expenses (including reasonable external and internal legal costs) arising out of or relating to the Services or this Agreement. On behalf of yourself and your affiliates, you release us, the other EY Firms and the EY Persons from all claims and causes of action (together, "Claims"), pending or threatened, that you or they may have arising out of the Services or this Agreement to the extent such Claims result from or arise out of any misrepresentation or fraudulent act or omission by you, your employees or agents on your behalf.

Confidentiality

12. We follow professional standards of confidentiality and will treat information related to you disclosed to us by you or on your behalf ("Client Information") as set forth in the Rules of Professional Conduct of provincial Institutes of Chartered Accountants or the Code of Ethics of the *Ordre des comptables agréés du Québec* (as applicable).

