



1 November 2006

Dear Shareholder,

**E.F.F LIMITED FINANCIAL REPORT TO 30 JUNE 2006
NOTICE OF ANNUAL GENERAL MEETING**

By Order of the Board of Directors, we provide you with the following information:

- 1. A copy of the E.F.F Limited ("EFF") Concise Financial Report to 30 June 2006.**
The Report provides information that is likely to be of special interest to you as a Shareholder in EFF.
- 2. A Letter from the Chairman**
A letter from the Chairman to provide a brief explanation of the financial performance of the Company and the EFF Group.
- 3. The E.F.F Limited Notice of Annual General Meeting.**
The Notice of Meeting also includes an Explanatory Statement of the Notice of the Annual General Meeting, and the Proxy Form. We direct you to the Proxy Form located on the back of the Notice of Meeting, for further information on the Deadline for Receiving Proxy Votes.

We have introduced a *Questions Sheet* to assist the Company to address any Shareholder questions and concerns. We have enclosed a copy of the *Questions Sheet* for your reference, and request all Shareholders to submit their questions to the Company by no later than 11:00am (WST) on Monday 27th November 2006.

We ask that Shareholders wishing to attend the AGM, to please notify the Company by 11:00am (WST) on Monday 27th November 2006, to enable us to make appropriate arrangements.

- 4. A Directions Map to the EFF Limited Office**
The Company's Annual General Meeting will be held at the EFF Limited Office. Shareholders must make their own travel arrangements to and from the Annual General Meeting.

Should you have any queries regarding your Shareholding, or if you have changed your address, please contact the Company:

E.F.F LIMITED
PO Box 332 LEEDERVILLE WA 6903
Telephone: (618) 9227 8422 • Facsimile: (618) 9227 8455
e-mail: kpadmin@kiripark.com.au • website: www.kiripark.com.au

Yours faithfully,
E.F.F LIMITED

Mr Simon Chesson
M.B.A (UWA), C.P.A, C.F.P, B.Comm, S.I.A (Aff), C.S..M
Company Secretary



Dear Shareholder,

ANNUAL REPORT TO 30 JUNE 2006

On behalf of the Board of Directors, I am pleased to be able to provide you with an up-date of the Company's financial performance and position for the year ended 30 June 2006.

During the financial year, the Company made significant improvements in its financial performance and implemented numerous strategies and activities designed to improve the financial strength of the Company and the holistic EFF Group. A concise review of the significant achievements made by the Company during the financial year includes:

Financial Achievements

- The Company maintained profitability reporting a profit of \$201,173 compared to a profit of \$588,301 during the financial year ending 30 June 2005.
- The Company's revenue decreased from operating activities by 31% to \$737,501 compared to revenues of \$1,075,714 during the financial year ending 30 June 2005.
- The Company's Net Assets increased by 36% during the financial year.
- The Company marketed the Kiri Park Project 2005/2006 ("the Project") throughout Australia, selling 269 Woodlots during the year. The Project was accepted onto the 'Approved Product List' of a number of financial advisory groups, which is encouraging for future offerings in the Kiri Park Managed Investment Schemes.

Corporate Achievements

- Takeover of Powton Land Holdings Limited was completed making Powton a wholly owned subsidiary in the EFF Group.
- Acquisition of Highpoint Timbers which complements the EFF Group's timber processing and selling facilities

Other Achievements

- Purchase of over \$1 million in harvesting and milling equipment to assist in harvest of Nowergup plantation and gain readiness for harvesting of Kiri Park in future years.
- The Company and the EFF Group worked hard to continually implement Forestry and Silvicultural Best Practice Principles which contributed to enabling the Kiri Park Plantations to have the best year of growth since their planting.
- The Company continued with its Research and Development Program during the financial year in

the areas of fertigation, water utilisation and species selection.

The achievements highlighted above present only a summary of the progress that the Company has made over the financial year. All of these achievements provide the Company with a solid base for future financial success.

Company Personnel

On behalf of the Board, I extend a special acknowledgement and appreciation to the personnel of the Company and the EFF Group for their efforts and commitment throughout the financial year. The combined effort of the Directors, management, employees and consultants of the Company and the EFF Group have enabled the Company to achieve significant milestones for the benefit of shareholders. The Company continues to foster a culture of co-operation and striving to provide success for the Company.

Shareholders

On behalf of the Board, I extend a special acknowledgement to the shareholders of the Company and the EFF Group for their continued support.

Having spent the last three years implementing strategies designed to improve the Company's financial status, the Board is happy in the growth and development the Company has seen in the past 2 years. With a combination of supportive shareholders and loyal, hardworking and highly competent personnel, the Company's future is more focused than ever. The Board is confident that we can harness the Company's progressive momentum to build a future that is in the long-term interests of our shareholders, investors in our projects and stakeholders associated with the Company.

Yours faithfully,

Sydney J. Chesson
M.B.A., C.R.E.M., C.S.M., F.A.I.C.D.
Chairman

1 November 2006



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN to the members of E.F.F Limited, ACN 077 014 594, that the ANNUAL GENERAL MEETING of E.F.F Limited will be held at Level 1, 412-414 Newcastle Street, West Perth, Western Australia, on Thursday 30th November 2006, at 10:30am (WST).

Business

1. Financial Statements for the Year Ended 30 June 2006

To receive and consider the Company's Financial Statements for the year ended 30 June 2006.

2. Election of Directors

To consider and if thought fit, pass the following resolution as an ordinary resolution:

"That Mr VITTORIO VINCENT TURCO, who retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for election, be elected as a Director."

3. General Business

To transact any business which may be lawfully brought before the meeting in accordance with the Company's Constitution.

Signed By Order of the Board of Directors this 1 November 2006.

A handwritten signature in blue ink, appearing to read "Simon Chesson", is written over a circular stamp or seal.

Mr Simon Chesson
M.B.A., C.P.A., C.F.P., B.Comm, S.I.A (Aff), C.S.M
Company Secretary

PROXY FORM



To: **E.F.F LIMITED**
PO BOX 332
LEEDERVILLE WESTERN AUSTRALIA 6903
BY FACSIMILE: (+61 8) 9227 8455

- ii) a copy of the resolution, certified by the secretary or Director of the corporate shareholder, appointing the representative.

I/ We.....
of
being a member/ members of E.F.F Limited hereby appoint
.....
of

PROXY'S VOTING INSTRUCTIONS (OPTIONAL)

A shareholder who is entitled to attend and cast a vote at the meeting has a right to appoint a proxy to attend and vote instead of the shareholder. The proxy need not be a shareholder of the Company. A shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion and number of votes which each proxy is appointed to exercise. Unless otherwise instructed, the proxy will vote as he or she thinks fit, or abstain from voting.

or in his/ her absence, the Chairman of the Meeting as my / our proxy to vote on my/ our behalf at the Annual General Meeting of the Company to be held on the 30th day of November 2006 or at any adjournment of that meeting.

Should you wish to direct your proxy how to vote, the following should be completed. **(Tick box)**

SIGNATURE OF SHAREHOLDER(S)

If a natural person: (all single or joint shareholders must sign this form)

SIGNED by

.....
(Print Name) Signature

SIGNED by

.....
(Print Name) Signature

SIGNED by

.....
(Print Name) Signature

If a Company EXECUTED by

.....
in accordance with the Corporations Act 2001:

.....
Signature of Director Name of Director

.....
Signature of Director/ Secretary Name of Director/ Secretary

SHAREHOLDERS ELIGIBLE TO VOTE

As determined by the Board of Directors, only persons who hold fully paid ordinary shares in the Company as at the Proxy Deadline will be eligible to vote at the meeting.

CORPORATE RESPRESENTATIVES

Any corporate shareholder wishing to appoint a person to act as its representative at the meeting may do so by providing that person with:

- i) a letter or certificate, executed in accordance with the company's constitution, authorising the person to act as the company's representative: or

FOR **AGAINST** **ABSTAIN**

Agenda Item 2: Election of Directors

Election of **Mr Vittorio Vincent Turco**

Dated this day of2006

DEADLINE FOR RECEIPT OF PROXIES

To be valid, a completed proxy form must be lodged at the registered office of the Company not less than 48 hours before the timing of the meeting, being no later than **11:00am (WST) on Monday 27th November 2006**. Proxy forms may be submitted in either of the following ways:

- i) by **post**, to the Company:
PO Box 332
Leederville Western Australia 6903

Please allow sufficient time so that it reaches the Company by the Proxy Deadline; or

- ii) by **facsimile** to the Company on **(618) 9227 8455**. All proxies must be received by the Proxy Deadline.

FOR FURTHER INFORMATION

If you require assistance with completing your Proxy, or wish to obtain further information about attending the Company's Annual General Meeting, please contact the Company on **(618) 9227 8422** or by e-mail to kpadmin@kiripark.com.au



Explanatory Statement to the Notice of Annual General Meeting Dated 1st November 2006

ITEM 2 – THE ELECTION AND APPOINTMENT OF DIRECTORS

INTRODUCTION

Mr Turco retires by rotation in accordance with the Company's Constitution, and being eligible, Mr Turco offers himself for re-election.

Mr Turco has been a Director of the Company since the Company's Extraordinary General Meeting in March 2003 when he was elected by shareholders. He has also been a Director of the Company's wholly owned subsidiaries.

BOARD RECOMMENDATION

The Board recommends that shareholders vote in favour of the resolution to re-elect Mr Turco as a Director.

INFORMATION ON MR TURCO

The following information has been provided in support of the re-election of Mr Turco as a Director.

Victor Turco
B.Bus, C.P.A.
(Non-Executive Director)

Prior to Mr Turco's involvement in the Company, EFF reported losses of \$553,705 in the 2002 financial year and \$630,823 for the 2003 financial year. The Company's net assets had decreased from \$2,753,728 in 2002 to \$2,342,995 in 2003. The former Board of Directors and senior executives had resigned and the Company was evicted from its office premises. The Company was effectively left with no Directors, no office facilities and in great financial difficulty.

Since being appointed a Director of EFF it was revealed that the financial position of the Company was in fact worse than previously reported. However, under the guidance of the Board that was elected at the Extraordinary General meeting in March 2003, which included Mr Turco, the performance of the Company and the entire EFF Group have rapidly turned around with the audited financial statements to 30 June 2006 demonstrating a profit of \$201,173, and net assets of \$4,416,689. The profit of the EFF Group is reported at \$1,621,456 with the net assets of the Group being \$7,896,519.

Whilst not solely responsible for the stabilisation and rejuvenation of the Company and the EFF Group, Mr Turco contributions have been substantial, instrumental and critical.

During Mr Turco's term as a Director, the Company and the EFF Group have implemented significant strategies

designed to benefit the Company and the Group in the future.

Mr Turco has taken an active role for a non-executive director in overseeing the Company and the EFF Group and has been instrumental in facilitating numerous key achievements during his three year term as a Director, including:

- Injecting over \$2 million into the Company and the EFF Group through rights issues, investments in the new Kiri Park Project and Redeemable Convertible Preference Shares;
- Returning the Company to profitability;
- Returning the EFF Group to profitability;
- The Plantations are achieving their greatest growth results;
- Increased capital expenditure at the Kiri Park Property;
- Environmental Forest Farms Management Limited applied for and received its Australian Financial Services License, enabling that company to act in the capacity as Responsible Entity for the Kiri Park Projects and other Paulownia based Managed Investment Schemes;
- Launched the Kiri Park Project 2005/ 2006 and prior Projects to assist in achieving the full planting of the Kiri Park Property.
- The removal of the financial threats to the Company such as the Convertible Note and other such legal proceedings that had been instigated against the Company primarily as a result of actions taken by the former Directors.
- Establishing a culture within the employees of the Group whereby value is placed on co-operation and striving to provide success of the plantations and the Group to achieve returns for shareholders, Growers and stakeholders.

Background Information on Mr Turco

Mr Turco has been involved in the Public Accounting Arena for approximately 25 years. During this time, Mr Turco has gained considerable experience in Australian and international accounting, taxation, financing, corporate and property issues.

Mr Turco has experience as a Director of numerous companies, including serving as a Director of the Board of a Terminating Building Society managing a \$100 million portfolio.

Mr Turco is a Director of E.F.F Limited, Forestry Finance Limited, Beenyup Forest Farms Pty Ltd, Powton Land Holdings Limited, EFF Timber Pty Ltd and A&N Enterprises Pty Ltd.

AUTHORITY OF THE BOARD

Signed By Order of the Board of Directors this 1 November 2006.

Simon Chesson
M.B.A., C.P.A., CFP®, B.Comm, S.I.A (Aff), C.S.M
Company Secretary

QUESTIONS SHEET

FOR THE E.F.F LIMITED ANNUAL GENERAL MEETING 30 NOVEMBER 2006

INTRODUCTION:

E.F.F Limited has introduced a Questions Sheet for the Company's Annual General Meeting, to be held on 30 November 2006. The purpose of this Questions Sheet is to enable Shareholders to raise questions and concerns to the Company, which can then be answered at the AGM.

INSTRUCTIONS FOR COMPLETING THIS QUESTIONS SHEET:

- 1) Please write your questions clearly and IN BLOCK LETTERS
- 2) Please submit your questions to the Company by no later than 11:00am (WST) on Monday 27 November 2006
- 3) Your questions can be submitted to the Company by either:

Facsimile to: +618 9227 8455

Post to: PO Box 332,
Leederville Western Australia 6903

QUESTIONS:

Question 1:

Question 2:

Question 3:

EFF Office Location



EFF is pleased to announce that as of 1 July 2005 we are located at the address below. Parking for the AGM will be on Harwood Place.

Address: Level 1, AustAsia House
412 - 414 Newcastle Street
West Perth WA 6005

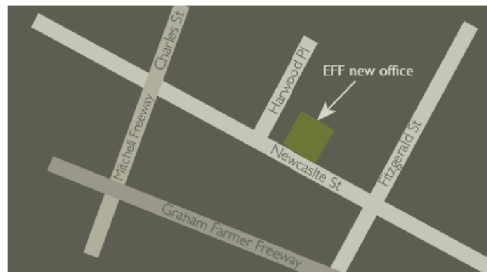
Postal: PO Box 332
Leederville WA 6903

Tel: (08) 9227 8422

Fax: (08) 9227 8455

Email: kpadmin@kiripark.com.au

Web: www.kiripark.com.au



The EFF Group

Level 1, AustAsia House, 412 - 414 Newcastle Street
West Perth WA 6005
PO Box 332 Leederville WA 6903
Telephone: (08) 9227 8422
Facsimile: (08) 9227 8455
Email: admin@kiripark.com.au
Website: www.kiripark.com.au

EFF Ltd (ACN 077 014 594)

Environmental Forest Farms Management Ltd (ACN 087 201 670)

Powton Land Holdings Ltd (ACN 087 201 652)

Forestry Finance Ltd (ACN 108 513 239)

Beenyup Forests Pty Ltd (ACN 081 216 766)

Kiri Park Project 1 (ARSN 091 158 897)

Kiri Park Project 2 (ARSN 096 225 400)

Kiri Park Project 2004/2005 (ARSN 107 747 348)

Heritage Paulownia Forests Project No.1 (ARSN 092 167 103)