



## **Cathay Forest Products Corp.**

### **FOR IMMEDIATE RELEASE**

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### **Cathay Forest Announces Closing of \$15.25 Million Bought Deal Financing**

**TORONTO, CANADA – December 15, 2009** – Cathay Forest Products Corp. (“Cathay Forest” or the “Company”) (TSX Venture: CFZ) is pleased to announce the closing of its previously announced bought deal offering of common shares with a syndicate of underwriters co-led by Dundee Securities Corporation and Canaccord Financial Ltd., and including Octagon Capital Corporation and Research Capital Corporation (collectively, the “Underwriters”). The Underwriters have been granted an over-allotment option, exercisable until 30 days after the closing of the offering, enabling them to purchase up to an additional 15% of the number of common shares sold pursuant to the offering at the issue price.

The net proceeds of the offering will be used primarily to fund the expansion of the Company’s Russian activities, including the harvesting of a second concession and to develop downstream processing operations. The remainder will be used for general corporate purposes.

#### **About Cathay Forest**

Cathay Forest is a forest products company that manages approximately 1,000,000 hectares of standing timber properties and fast-growth, high-yield poplar plantations in China and Russia. Cathay Forest is building a world-class forest products company through a customer base that includes the domestic Chinese pulp and paper industry and other wood products customers in the Japanese market.

#### **Forward-Looking Statements**

All statements, other than statements of historical fact, in this news release are forward-looking statements that involve various risks and uncertainties, including, without limitation, statements regarding the future plans and objectives of the Company. Actual results and future events could differ materially from those anticipated in such statements. Except as required by applicable securities laws, the Company assumes no obligation to update forward-looking statements should circumstances or management’s estimates or opinions change.

FOR FURTHER INFORMATION PLEASE CONTACT:

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