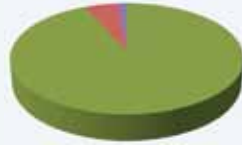


Nontraded REIT Industry Review: Second Quarter 2012



Wells Timberland REIT, Inc.

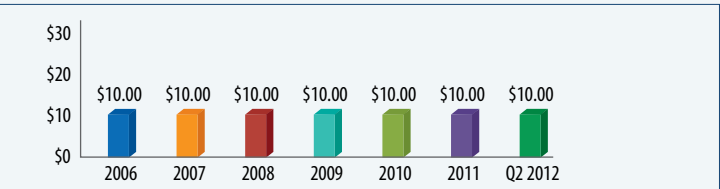
| | |
|--------------------------|-----------------|
| Total Assets..... | \$340.3 Million |
| Real Estate Assets | \$316.8 Million |
| Cash | \$18.3 Million |
| Securities | \$0.0 Million |
| Other | \$5.2 Million |



Initial Offering Date: August 11, 2006
 Offering Close Date: December 31, 2011
 Current Price per Share: \$10.00
 Reinvestment Price per Share: \$9.55

Cash to Total Assets Ratio: 5.4%
 Asset Type: Timberland
 Number of Properties: 1
 Square Feet / Units / Rooms / Acres: 298,300 Acres
 Percent Leased: Not Applicable
 LifeStage: Maturing
 Investment Style Value Add

Historical Price



Redemptions

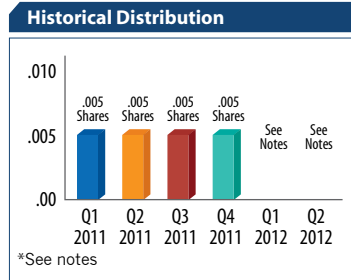
Ratio of Shares Redeemed to Wtd. Avg. Shares Outstanding:..... 0.17%

Program Open

Redemptions Year to Date: 55,067
 Wtd. Avg. Shares Outstanding: 31,869,820

Current Distribution

Not Applicable



Contact Information

www.WellsTimberland.com
Wells Timberland REIT, Inc.
 P.O. Box 926040
 Norcross, GA 30010-6040
 800-557-4830

Year to Date FFO Payout Ratio

Not Applicable

Historical FFO Payout Ratio

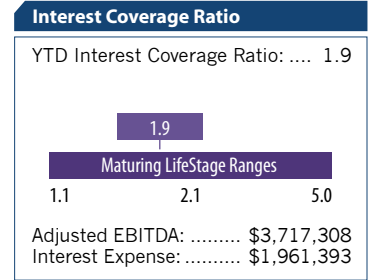
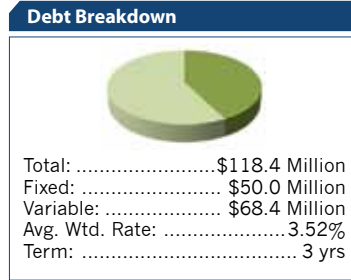
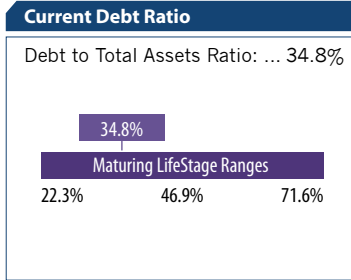
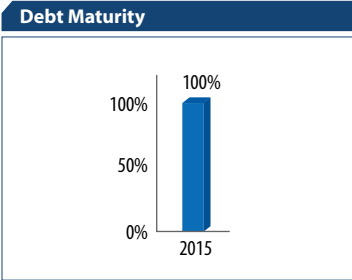
Not Applicable

Year to Date MFFO Payout Ratio

Not Applicable

Historical MFFO Payout Ratio

Not Applicable



Lease Expirations

Not Applicable

- ### Trends and Items of Note
- During the three months ended June 30, 2012, the REIT sold approximately 5,800 of HBU timberland for approximately \$10.6 million.
 - In July 2012, Wells Timberland REIT entered into an agreement to purchase timberland for approximately \$20.0 million. This transaction is expected to close during the third quarter and will be funded through a combination of cash on hand and debt financing.
 - On August 6, 2012, the board of directors of Wells Timberland REIT amended and restated the Share Repurchase Program effective October 1, 2012. The Amended SRP provides that the redemption price for all redemptions, including redemptions sought within two years of a stockholder's death, qualifying disability or confinement to a long-term care facility, will be 91% of the aggregate amount paid to Wells Timberland REIT for all shares owned by the redeeming stockholder. After the initial estimated per share value publication, the price will be 95% of the estimated per share value, plus or minus any valuation adjustment as provided in the Amended SRP.
 - Also on August 6, 2012, the board of directors of Wells Timberland REIT voted to suspend the Amended SRP effective October 1, 2012 until the first full month following the initial publication of the estimated per share value.
 - The REIT's interest coverage ratio increased to 1.9x as of 2Q 2012 compared to 1.3x as of year-end 2011.
 - Fixed rate debt includes variable rate debt that has been swapped for fixed rate payments. The Company hedged \$50,000,000 of its variable rate debt as of June 30, 2012.
 - Because the REIT does not pay cash distributions, the FFO and MFFO metrics are not applicable.