

24 May 2010

COMPANY ANNOUNCEMENT

Willmott Forests secures external grower finance

The directors of Willmott Forests Limited are pleased to announce that an external grower finance facility has been secured for the Willmott Forests Premium Forestry Blend - 2010 Project.

The grower finance facility will be supplied by a third party finance provider who was selected following a competitive process conducted by Willmott Forests. The new arrangements will result in no material changes to current grower financing arrangements and loans will be offered on competitive terms and conditions.

Willmott Forests' Chief Executive Officer, Marcus Derham said: "*Securing the grower finance facility in the midst of the current market uncertainty is confirmation of the success and robustness of Willmott Forests' business model.*"

About Willmott Forests

Willmott Forests is an integrated forestry company established in 1979 that plants, manages, harvests, processes and supplies plantation timber products for domestic and export markets. Willmott Forests manages 53,000 hectares of commercial plantations throughout New South Wales, Victoria and Queensland on behalf of more than 6,000 growers with forestry funds under management exceeding \$400m.

Willmott Forests' timber processing facility in Bombala, NSW is operated under a 50:50 Joint Venture with Dongwha, a global manufacturer of wood materials. A wide range of timber products are manufactured from plantation softwood at the Bombala site which - underpinned by a 20 year wood supply agreement with the NSW Government - is being redeveloped. The new complex is anticipated to be commissioned in 2011 with full production achieved by 2012.

Willmott Energy, a division of Willmott Forests, is focused on expanding into value added forest products in an environmentally positive way. Its' current interests include converting wood fibre to 'cellulosic' ethanol, the use of biomass in renewable fuel markets and the development of carbon sequestration opportunities.

Further information

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