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11 May 2009

**COMPANY ANNOUNCEMENT****Business as usual at Willmott Forests**

- **Land for 2008 Sales Secured and Planting on Schedule**
- **New 'Timberland Fund' launched**

Willmott Forests Limited (ASX: WFL) released a Company Update to the market on 28 April 2009 summarising our corporate strategy, achievements and positive company outlook.

Issues facing two of the major participants in the sector have however caused some market uncertainty and subsequently a heightened level of enquiry from Willmott Forests' stakeholders.

Although Willmott Forests operates under a clearly differentiated business model, as described in our previous announcement, recent speculation regarding other companies' operations has compelled Willmott Forests to provide an early update of the status of our forestry operations activities with particular reference to the progress of plantation establishment works related to our 2008 woodlot sales.

**Forestry operations update**

Our normal reporting of these operations via our annual Growers Report, which is distributed in September each year, will continue. The information contained herein should be viewed as an interim update.

Willmott Forests' woodlot sales in FY2008 gave rise to an obligation to establish 11,471.5 hectares of new plantations by 30 June 2009.

These plantations are being established with three species across seven regions. The species are *pinus radiata* - a high value plantation species used mostly for building applications in Australia and a wide range of pulp and paper products; Silky Oak - a native hardwood prized for high value veneer and decorative timber uses and She-oak - a fast growing native species planted to produce biomass for the renewable energy market.

The allocation of the species by area planted is as follows:

Pinus radiata	7,914.00 hectares
Silky oak	1,778.75 hectares
She-oak	1,778.75 hectares

We can report that all project land was secured and Forestry Rights were registered by 30 March 2009 in line with regulatory requirements. All site preparation and planting works are on schedule for completion by 30 June 2009.

Willmott Forests actively maintains an additional land bank towards 2009 woodlot sales through land previously purchased and through its exclusive 'pre-paid' leasing arrangements.

Willmott Forests has a long history of establishment and management of plantations and has developed the personnel and infrastructure required for successful plantation management and protection.

All scheduled operations have been conducted in accordance with best industry practices and in line with the ATO Product Rulings PR 2006/128 and PR 2007/82.

Plantation management continues to follow best industry practices to optimise results, which includes monitoring for growth, health and nutritional status and applying treatments as necessary. All fences, roads and firebreaks have or will be constructed and will be maintained as required.

All plantation insurances are in place and current.

### **New 'Timberland Fund' launched**

Willmott Forests today launched its new styled investment, the Willmott Forests **Premium Timberland Fund No.1** ('the Fund') which provides a diversified investment in the Australian forestry sector by investing in both forestry and land assets.

The Fund is designed to enhance investor returns and reduce risk by generating income and capital gains from multiple sources including rental income from the rural land owned by the Fund, harvest income from the African mahogany plantation, and capital growth in the land value of the rural land.

*"It's business as usual at Willmott Forests with all our plantation management obligations on track and the launch of this exciting new investment vehicle which we see as ideal for superannuation style investors."* Willmott Forests CEO, Marcus Derham said.

The Willmott Forests **Premium Timberland Fund No 1** has been awarded a 4 star rating from Independent Research Group AAG (Australian Agribusiness Group) and can be found on the Willmott Forests website.

### **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 47,000 hectares of commercial plantations throughout New South Wales and Victoria on behalf of more than 4,500 growers with forestry funds under management exceeding \$350m.

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 softwood timber products are produced from the Sandy Lane site which - underpinned by a 20 year wood supply agreement with the NSW Government - is being redeveloped. Full production from the new complex is expected to be reached in 2011.

Willmott Forests is entering the bio-fuel market with the construction of a second generation 'cellulosic' ethanol pilot plant on the North Coast of NSW. The company plans to be producing bio-fuel on a commercial scale within 3 years.

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