

21 December 2006

COMPANY ANNOUNCEMENT**Gov't Decision Ensures Continued Investment in Forestry MIS**

Willmott Forests Limited has welcomed the announcement by the Commonwealth Government of changes to the taxation arrangements for forestry managed investment schemes.

CEO of Willmott Forests Limited, Marcus Derham, said "...the announced arrangements make it clear that private investment in timber plantations via managed investment schemes can be conducted in a timely, logical fashion under a clear and supportive tax regime, which we anticipate will provide a firm foundation for new value-added investments into our plantation timber industry to meet Australia's wood and paper needs."

"This will be business as usual for Willmott Forests and should also provide the much-needed resource security for regional timber processing companies and exporters, who are dependent on a reliable source of wood for their production and future markets."

"We look forward to working with Government to ensure that the intention of these changes is reflected in legislation and that a workable secondary market is created in the not too distant future," he said.

Mr. Derham said "...the review had provided all stakeholders with an opportunity for thorough and detailed comment on the plantation investment framework. We expect now that the many timber communities around regional Australia, who depend on expanding plantations for their employment and social infrastructure, should be able to enjoy the benefits of a stable environment no longer clouded by the uncertainty of a lengthy review"

He paid tribute to the Minister for Fisheries, Forestry and Conservation, the Hon Eric Abetz, for his energy and strong resolve during the review process, and for the way he tirelessly represented the interests of a productive Australian plantation forestry sector.

"Now that the review is concluded, the industry looks forward to a sustained period of confident investment in Australia's timber plantations."

"We will continue to work with our growers, timber communities and our reliant down-stream wood processors to deliver the full value from our plantations to secure the industry's future growth," Mr. Derham said.

PLANT

MANAGE

HARVEST

PROCESS

SUPPLY

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About Willmott Forests

Willmott Forests Limited is an integrated softwood forestry company that produces a wide range of timber products from its timber processing operations in Bombala NSW.

A Quality Endorsed Company, with total assets in excess of \$290 million Willmott Forests manages 30,000 hectares of commercial softwood plantations on behalf of more than 3,400 individual growers. The majority of these plantations are located in south-east New South Wales and north-east Victoria.

For further information please contact:

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