

8 August 2007

COMPANY ANNOUNCEMENT**Willmott plans new timber processing facility for Bombala
with major international partner**

Willmott Forests Limited (ASX: WFL) welcomes the opportunity to tender for Forests NSW timber resources in the Monaro region following the NSW Government's decision to commence a new tender process for its long-term supply of plantation-grown softwood sawlogs.

Willmott Forests plans to construct a world-scale timber processing and value added facility at its Sandy Lane site in conjunction with Dongwha Holdings by forming a 50:50 Joint Venture. This builds on Willmott Forests' existing processing facility which it has operated since 2003 and it's more than 25 years involvement in forestry in the Bombala region.

The Boards of both companies have agreed, based on a recently completed feasibility study and subject to availability of the resource, to an immediate commitment of the \$40 million of capital required to construct an integrated timber processing facility designed to process the regions plantation softwood resources with a capacity of 400,000 tonnes per annum.

Both companies have existing markets and capacity to expand sawn timber production cost-effectively from the project. They have expertise in all facets of the plantation timber industry - from growing to processing to marketing and research and development. The companies also have the capacity and expertise to develop a particleboard plant integrated with the sawmill and downstream integration to a bioenergy plant in the future.

While the sawmill component of the project will yield immediate and sustainable benefits to the Bombala region it will also provide a platform for a further \$125 million investment by the companies for particleboard and bioenergy production.

Marcus Derham, CEO Willmott Forests, explained *"The project provides a long term, whole-of-tree solution for the Bombala softwood resource with a focus on local processing, value adding and residue utilisation. Willmott Forests and Dongwha have agreed to jointly develop and fully fund the project and have formed a working team to make the project a reality. This project represents a unique opportunity to secure the Bombala region as a first class forest processing hub providing long term social and economic benefits to the region."*

A detailed Project Description document will be lodged with the Department of Planning within the next 30 days in order to commence the approval process. The project is planned to commence within the 2008 calendar year subject to the required planning and sawlog allocation decisions.

PLANT**MANAGE****HARVEST****PROCESS****SUPPLY****Head Office**
249 Park Street (Locked Bag 4011)
South Melbourne VIC 3205
Telephone (03) 9696 1355
Facsimile (03) 9696 5567
Toll Free 1800 801 866**Timber Products**
1 Sandy Lane (PO Box 146)
Bombala NSW 2632
Telephone (02) 6458 3489
Facsimile (02) 6458 3756
Toll Free 1800 805 840**Forestry Operations**
Corrowidgen Road (PO Box 23)
Delegate NSW 2633
Telephone (02) 6459 8888
Facsimile (02) 6459 8899

About Willmott Forests

Willmott Forests Limited is an integrated forestry company that plants, manages, harvests, processes and supplies plantation timber products for domestic and export markets.

A Quality Endorsed Company with total assets in excess of \$240 million, Willmott Forests manages 35,000 hectares of commercial plantations throughout New South Wales and Victoria and produces a wide range of softwood timber products from its timber processing operations in Bombala NSW.

About Dongwha Holdings

Dongwha Holdings is a global manufacturer of wood materials with timber processing and marketing operations in Korea, Hong Kong, New Zealand, Malaysia, Australia, Japan and the United States.

Founded in 1948 in Korea with a current global turnover in excess of \$800 million, Dongwha continues to produce quality timber products through its commitment to innovation and customer service.

For further information please contact:

Marcus Derham - Chief Executive Officer
Willmott Forests Limited
Ph: 03 9696 1355