

15 February 2007

COMPANY ANNOUNCEMENT**Willmott Forests makes offer for BioForest group**

Willmott Forests Limited today announced that it had made an unconditional offer to acquire a controlling interest in the BioForest group of companies by taking a majority stake in the parent company BioEnergy Australia Limited.

BioForest, an emerging player in the forestry MIS market, is involved in producing high grade timber for the Australian veneer market, renewable fuels, green energy and carbon credits from its timber plantations.

Willmott Forests' investment, if accepted by the BioForest shareholders, will be by way of subscription for new capital to be utilised within the BioForest group to assist in growing the business.

The BioForest Board is recommending that this offer be accepted by its shareholders at its Annual General Meeting early in March 2007.

Willmott Forests will be marketing a new Forestry MIS Project that effectively blends the two company's products providing Willmott Forests' Dealer Network with a new project that provides all the benefits of the existing Willmott Forests Project whilst delivering earlier income to growers as well as geographical and timber species diversification.

Marcus Derham, Willmott Forests CEO said... "This is a good fit for us, we understand the MIS business, our niche in that arena is forestry and we are very excited about the future opportunities of producing fuel from plantations. On the same token BioForest is an exciting and growing business that will benefit from our experience in this market.

Whilst there will be some immediate benefits, such as enhanced Woodlot sales and an uplift in earnings per share – the real value or upside from this transaction may take a little longer and will come in the form of our strategic entry to the energy and fuel production markets in years to come.

The BioForest concept is interesting, new and provides the opportunity to broaden our target market due to the shorter term nature and the early income model that they have developed. We believe there will be a very strong appetite for our new 'blended' product."

PLANT

MANAGE

HARVEST

PROCESS

SUPPLY

Continued

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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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