

Willmott Forests Limited

ABN 17 063 263 650

AFS Licence No. 233215

www.willmottforests.com.au

info@willmottforests.com.au

14 November 2007

COMPANY ANNOUNCEMENT

Attached is an Ethanol Technologies Limited media release.

Ethanol Technologies Limited is a subsidiary of Willmott Forests Limited.

For further information please contact:

Jonathan Madgwick
Company Secretary
Willmott Forests Ltd
Ph: 03 9696 1355

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



14 November 2007

MEDIA RELEASE

Ethanol Technologies welcomes Federal Government Support

Ethanol Technologies Ltd (“Ethtec”) welcomes the recent announcement from the Deputy Prime Minister the Hon. Mark Vaile (copy attached) that provides for \$5 million of Federal Government support for the construction and operation of the Ethtec Lignocellulosic Ethanol Pilot Plant if re-elected.

Ethtec has a world-wide exclusive licence from Apace Research Limited (“Apace Research”) to further develop and commercialise technologies developed by and under the direction of Apace Research for the production of ethanol from lignocellulosic material such as wood, bagasse (waste from sugar production), crop stubble and municipal green waste. This is generally referred to as “cellulosic ethanol”. Ethtec has raised funds to build a pilot plant, designed by Apace Research, to demonstrate the commercial application of these technologies.

Ethtec Chairman, Mr Jonathan Madgwick at Ethtec’s Annual General Meeting in Ingham last night said, *“We are delighted that the Federal Government has shown the foresight to support our project with matching funding and look forward to a timely and positive outcome from our efforts.”*

About Ethanol Technologies Limited

Over the past 25 years Apace Research has received a number of Federal Government grants to develop new technologies for the production of ethanol from lignocellulosic material. In collaboration with the University of Southern Mississippi, the Tennessee Valley Authority and the University of New South Wales, Apace Research has developed and demonstrated this technology at laboratory and mini-pilot plant scale.

Ethtec has commenced construction of a pilot plant to value-add to wood residues (including pine), bagasse and other lignocellulosic materials. The pilot plant project is a four phase project to further develop and commercialise the Apace Research technology.

The pilot plant is situated at the NSW Sugar Milling Co-Operative Harwood Mill and Refinery in Northern NSW.

The individual new technology processes and the associated phases of the pilot plant project are:

- hydrolysis of lignocellulosics (phase one);
- alternative sugars and lignin production (phase two);
- fermentation (phase three); and
- simultaneous ethanol recovery and liquid effluent treatment (phase four)



Ethanol Technologies Limited

Phase one of the pilot plant project is a critical phase for a commercially viable cellulosic ethanol fuel industry to be established world-wide. It involves a new hydrolysis process that converts the hemicellulose and cellulose components of the fibre to sugars at a significantly lower cost than competing methods. These sugars have a ready market in the production of renewable chemicals and bioplastics, and as an alternative in some traditional sucrose markets.

Phase four of the pilot plant project can be undertaken at the same time as phase one, and involves a new process of simultaneous ethanol recovery and liquid waste treatment. If successful, this new process will eliminate the liquid waste stream and thereby significantly reduce the environmental impact of ethanol distilleries. Furthermore, by using 'induced phase separation', the ethanol recovery essentially eliminates the need for the conventional distillation technology, thus dramatically improving the energy balance of ethanol production, with accompanying reduction in greenhouse gas emissions.

This new process is expected to have immediate application world-wide in all new and existing ethanol distilleries that utilise traditional sugar, corn or starch feedstocks. There are more than 300 of these plants worldwide, either in operation or in the final stages of construction. The current annual global production of ethanol using traditional methods is approximately 50 billion litres.

Cellulosic ethanol production has a key advantage over traditional methods of ethanol production that currently use food (eg. corn) as the feedstock for sugar production. Cellulosic material is not used as a food source and is generally considered a waste or surplus material; it is also in abundant supply. Using cellulosic feedstock does not involve competition for arable land or food resources, thus solving the emerging 'fuel-versus-food' dilemma. Hence significant worldwide substitution of fossil transport fuels by ethanol can only occur if cellulosic ethanol production is commercialised.

For further information please contact:

John Rutledge
Director
Ethanol Technologies Limited
Ph: 0429 053 329

Robert M Carey
Director
Ethanol Technologies Limited
Ph: 07 4776 5300

NATIONALS

MARK VAILE

**Deputy Prime Minister
Leader of The Nationals**

Monday, 12 November 2007

Biofuels for Australia's Transport Future

A re-elected Coalition Government will carry out a strong plan to increase Australia's biofuel production and encourage more Australians to choose biofuels at the fuel pump, the Deputy Prime Minister and Leader of The Nationals, Mark Vaile, announced today.

Mr Vaile announced the plan for biofuels at the Coalition's campaign launch in Brisbane.

"The Coalition's biofuel plan is good news for the family budget, because ethanol blended fuel is about 3 cents per litre cheaper than ordinary unleaded petrol. It's good news for Australia, because it will reduce our dependence on imported fuel. And it's good news for the environment, because it will reduce our greenhouse gas emissions," Mr Vaile said.

"I am announcing today that the Coalition will invest \$5 million to work with the biofuels industry to make more Australians aware of the benefits of biofuels and to drive demand.

"We will also make ethanol more available, by extending the Ethanol Distribution Programme, which helps petrol stations install new pumps or convert their existing pumps to sell ethanol blended fuel. The programme is scheduled to end in March 2008

"A re-elected Coalition Government will extend this programme until June 2009. We expect that an extra 400 service stations will be able to start selling ethanol blended fuel as a result of the extension.

"At the moment, ethanol is produced from food crops like wheat and sugar. As a result, the worldwide demand for ethanol is pushing up food prices.

"But the race is on to find a way to make ethanol in commercial quantities from plant waste like sugar cane bagasse, crop stubble, and sawmill residue. It's called lignocellulosic ethanol.

"The Coalition Government is already supporting research into second generation biofuels; today I am announcing that we will increase our support.

"We will provide \$5 million to support the construction of a pilot lignocellulosic ethanol plant outside Maclean in northern NSW. The plant is being built by Ethanol Technologies, a subsidiary of Willmott Forests. The plant will use a chemical process rather than steam distillation to produce ethanol, which will use far less energy and water.

"The Coalition will also fund a \$6 million trial to test whether the biodiesel blend B20 meets the standard for use in heavy vehicles, like semi-trailer prime movers.

"Heavy vehicles account for 40 per cent of Australia's diesel consumption. At the moment, however, no-one knows for sure what effect using the B20 blends may have on heavy vehicle engines. And no-one wants to find out by breaking their truck or risking their warranty.

"The trial will test whether the B20 blend can meet the diesel fuel standard. A successful trial will make it possible for road transport companies to seriously consider using B20.

"It's time for Australia to get more of our fuel from crops we grow now, rather than prehistoric organisms that died millions of years ago," Mr Vaile said.

Media Contact: Tanya Cleary (travelling with the DPM): 0418 615 280