

19 May 2008

COMPANY ANNOUNCEMENT**Willmott executes Joint Venture Agreement with Dongwha**

Willmott Forests Limited (ASX: WFL) is pleased to announce that it has today executed a Joint Venture (JV) agreement with Dongwha Australia Holdings Pty Ltd.

Under the terms of the JV, Willmott Timbers Pty Ltd, currently a wholly owned subsidiary of Willmott Forests Limited, will issue new shares to Dongwha that will provide them with 50% ownership in Willmott Timbers.

Consideration for the acquisition of these shares will be in the form of a direct equity injection in the order of between \$4.5 million and \$5 million based on the 31 May 2008 Balance Sheet of Willmott Timbers. Settlement of this transaction will take place on or before 1 July 2008 and from that point on the operations of Willmott Timbers will be jointly funded by the JV partners. Dongwha will assume day to day operational control of Willmott Timbers.

Detailed planning to enable Willmott Timbers to construct a large-scale, fully integrated timber processing facility at its Sandy Lane site in Bombala is well advanced, with production from the new complex expected to commence in 2010.

Marcus Derham, CEO Willmott Forests, said, *"After signing the 20 year wood supply agreement with the NSW Government this project has continued to progress. Having today concluded our formal arrangements with our JV partner, Dongwha, we can now enter the next phase which is all about constructing a new state of the art timber processing facility at our Sandy Lane site that will process Bombala's valuable plantation resource. This \$60 million development is good for the community of Bombala, good for the state of New South Wales and good for our shareholders"*.

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

Dongwha 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 - CEO, Willmott Forests Limited 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

