

1 July 2008

COMPANY ANNOUNCEMENT**Woodlot Sales up by 110% to \$95 million in FY08**

Willmott Forests Limited (ASX: WFL) advises that Woodlot sales for the financial year ending 30 June 2008 have reached \$95 million. This result represents a 110% increase on the previous years' Woodlot sales result of \$45 million.

Marcus Derham, Willmott Forests CEO, said today...*"This is a stellar result that again vindicates our 'forestry-only' business model and caps off a big year for the Company."*

"In the face of difficult trading conditions across financial markets through much of FY08, we have successfully completed the BioEnergy takeover, secured a 20 year wood supply agreement from the NSW Government and entered a 50:50 Joint Venture with Dongwha to develop a state of the art processing facility in Bombala."

"Our Premium Forestry Blend which offers three proven species across diversified regions with a range of end markets and multiple income streams has been particularly well supported by our distribution network which has enabled us to significantly increase our market share in Forestry MIS", Mr Derham said.

Of the \$95 million Woodlot sales revenue \$22 million will be recognised as income at 30 June 2008 with the balance of \$73 million carried forward to FY09. The Company's stated revenue recognition policy requires revenue from Woodlot sales to be recognised in line with plantation establishment works.

Profit Forecast

Willmott Forests expects to record underlying NPAT in excess of \$10.5 million in FY08 excluding non-recurring items primarily related to restructuring Willmott Timbers existing sawmilling business in preparation for the Joint Venture with Dongwha.

About Willmott Forests

Willmott Forests is an integrated forestry company established in 1979 that plants, manages, harvests, processes and supplies plantation timber products for domestic and export markets. With total assets in excess of \$240 million, Willmott Forests manages 35,000 hectares of commercial plantations throughout New South Wales and Victoria on behalf of more than 4,500 growers with forestry funds under management exceeding \$350 million.

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



Willmott Forests' timber processing facility in Bombala NSW is operated under a 50:50 Joint Venture with Dongwha, a global manufacturer of wood materials. A wide range of softwood timber products are produced from the Sandy Lane site in Bombala which - underpinned by a 20 year wood supply agreement with the NSW Government - is being redeveloped. Production from the new complex is expected to commence in 2010.

Willmott Forests is entering the bio-fuel market with the construction of a second generation 'cellulosic' ethanol pilot plant on the North Coast of NSW. The company plans to be producing bio-fuel on a commercial scale within 3 years.

For further information please contact:

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