

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Willmott Forests Limited

ABN

17 063 263 650

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 13,933,252 shares under an institutional placement.
35,607,201 shares under an entitlement offer |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares |

+ See chapter 19 for defined terms.

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<p>4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Shares will rank pari passu with existing ordinary shares</p> <p>Shares issued under the institutional placement are entitled to participate under the entitlement offer.</p>						
<p>5 Issue price or consideration</p>	<p>Placement Offer: \$0.45 per share Entitlement Offer: \$0.40 per share</p>						
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The proceeds of the offers will be used to fund future growth opportunities (including the Bombala, NSW sawmill development) and additional working capital</p>						
<p>7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates</p>	<p>Placement Offer: 7 October 2009 Entitlement Offer: 5 November 2009</p>						
<p>8 Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th>Number</th> <th>⁺Class</th> </tr> </thead> <tbody> <tr> <td>142,428,804</td> <td>Fully paid ordinary shares</td> </tr> <tr> <td>176,021</td> <td>Preference Shares</td> </tr> </tbody> </table>	Number	⁺ Class	142,428,804	Fully paid ordinary shares	176,021	Preference Shares
Number	⁺ Class						
142,428,804	Fully paid ordinary shares						
176,021	Preference Shares						
<p>9 Number and ⁺class of all ⁺securities not quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th>Number</th> <th>⁺Class</th> </tr> </thead> <tbody> <tr> <td>Nil</td> <td>N/A</td> </tr> </tbody> </table>	Number	⁺ Class	Nil	N/A		
Number	⁺ Class						
Nil	N/A						
<p>10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)</p>	<p>No change</p>						

+ See chapter 19 for defined terms.

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Renounceable and tradeable on the ASX
13	Ratio in which the +securities will be offered	1 New Share for every 3 Shares held as at the Record Date
14	+Class of +securities to which the offer relates	Fully paid ordinary shares
15	+Record date to determine entitlements	7:00pm (AEST) on 12 October 2009
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Where fractions arise in the calculation of Shareholders' entitlements under the entitlement offer they will be rounded down to the next whole number of the new Shares
18	Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	All countries other than Australia and New Zealand and any other eligible jurisdictions into which Willmott Forests has decided to make offers
19	Closing date for receipt of acceptances or renunciations	5.00pm on 28 October 2009
20	Names of any underwriters	Veritas Securities Limited
21	Amount of any underwriting fee or commission	5% of the Underwritten Amount
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A

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25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	A prospectus or Product Disclosure Statement will not be sent. An Entitlement and Acceptance Form will be sent to eligible shareholders on 14 October 2009
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	6 October 2009
29	Date rights trading will end (if applicable)	21 October 2009
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	Security holders who wish to sell their entitlements in full must instruct their stockbroker personally and provide them with the necessary details as detailed in the Entitlement and Acceptance Form. Sufficient time should be allowed for instructions to be carried out by the stockbroker
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Security holders who wish to sell part of their entitlements must instruct their stockbroker personally and provide them with the necessary details as detailed in the Entitlement and Acceptance Form. Sufficient time should be allowed for instructions to be carried out by the stockbroker; and Complete the Entitlement and Acceptance Form in accordance with the instructions set out in the form indicating the number of New Shares they wish to accept (being less than their Entitlement as specified on the Entitlement and Acceptance Form) and send their completed Entitlement and Acceptance Form (together with application monies) to the address detailed on the Entitlement and Acceptance Form

⁺ See chapter 19 for defined terms.

32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	<p>Security holders who wish to dispose of their entitlements other than through a stockbroker must:</p> <ul style="list-style-type: none">• complete the Entitlement and Acceptance Form in accordance with the instructions set out on the form; and• complete a renunciation form obtainable from either their stock broker or the Willmott Forests share registry in favour of the transferee; and• send the completed Entitlement and Acceptance Form, the renunciation form and the transferee's payment for the number of Entitlements being transferred and the New Shares taken up to the address detailed on the Entitlement and Acceptance Form
33	⁺ Despatch date	5 November 2009

⁺ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
 1 - 1,000
 1,001 - 5,000
 5,001 - 10,000
 10,001 - 100,000
 100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	N/A
39	Class of +securities for which quotation is sought	N/A

+ See chapter 19 for defined terms.

40	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	N/A	
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	N/A	
42	<p>Number and +class of all +securities quoted on ASX (including the securities in clause 38)</p>	Number	+Class
		N/A	N/A

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX’s absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

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Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:
(Director/Company secretary)

Date: 1 October 2009

Print name: John Rutledge
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