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17 August 2009

COMPANY ANNOUNCEMENT**Update on PINES**

Holders of Perpetual Income Exchangeable Securities, known as PINES were sent a Reset Notice by Willmott Forests Limited on 22 July 2009. In response to the Reset Notice, Holders of PINES had the option of doing nothing, completing a Top Up Notice seeking to acquire further PINES or completing a Holder Exchange Notice requesting the Exchange of some or all of their PINES.

The period for submitting notices in response to the Reset Notice closed on 12 August 2009.

Willmott received a total of 189 valid Holder Exchange Notices representing 223,979 PINES or 56% of the PINES on issue.

The Board of Willmott Forests has determined to convert all the PINES subject of the Holder Exchange Notices into ordinary shares. Holders of PINES who gave Holder Exchange Notices will be sent a Determination Notice informing them of the method of exchange selected by Willmott Forests. The exact number of ordinary shares to be issued as a result of the Holder Exchange Notices is still to be determined and will depend upon Willmott Forests' ordinary share price during the 20 business days immediately preceding (but not including) 30 September 2009.

Willmott Forests also advises that it expects to release its FY2009 full year profit results and ordinary dividend declaration by 20 August 2009.

The full terms and conditions of the PINES and the Reset Notice are available on Willmott Forests' website www.willmottforests.com.au

Yours sincerely



John Rutledge
Company Secretary
Willmott Forests