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www.willmottforests.com.au
info@willmottforests.com.au**COMPANY ANNOUNCEMENT****Ethanol Technologies receives grant funding boost**

Willmott Forests Limited today announced that its 51% owned subsidiary company, Ethtec Limited ("Ethtec"), has finalised an agreement with the Commonwealth Government for grant funding under the AusIndustry Climate Ready Program. The grant of \$2.9m is for project planned eligible expenditure incurred in Phase 2 of the Pilot Plant Project.

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 second generation ethanol from lignocellulosic material such as wood, bagasse (waste from sugar production), crop stubble and municipal green waste. The Ethtec pilot plant has been constructed in northern New South Wales to demonstrate the commercial application of these technologies across four phases of research and development.

"With Phase 1 of the Pilot Plant Project involving conversion of feed stocks to sugar nearing successful completion, Ethtec has a sound basis to progress the Project from Phase 1 to Phase 2 with provision of this grant funding" said Willmott Forests CEO Marcus Derham.

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. Willmott Forests manages 47,000 hectares of commercial plantations throughout New South Wales and Victoria on behalf of more than 4,500 growers with forestry funds under management exceeding \$350m.

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 which - underpinned by a 20 year wood supply agreement with the NSW Government - is being redeveloped. Full production from the new complex is expected to be reached in 2011.

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:

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