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BELL BAY MILL CHANGES TO 100 PER CENT PLANTATION TIMBER

The Gunns Limited Bell Bay Pulp Mill will begin operation with 100 per cent plantation timber, following Gunns securing access to the Great Southern timber resource.

Gunns Chairman John Gay said the appointment of Gunns as Responsible Entity for nine former Great Southern timber managed investment schemes gave the Company the security of supply it needed.

"The Bell Bay mill has always been planned and designed as a plantation based mill," Mr Gay said.

"However, with Gunns' existing resources, it was not possible for Gunns to guarantee supply to the mill of 100 per cent plantation timber until five years after commencement of mill operations.

"Securing the Great Southern resource is an exciting new development for Gunns that allows us to accelerate our plantation strategy to supply the Bell Bay mill with 100 per cent plantation from mill start-up.

"Operation of the mill on 100 per cent plantation from commencement will ensure that this project is fully consistent with other modern bleached Kraft pulp mills in South America that operate on 100 per cent plantation supply, and this decision should mitigate any concerns of stakeholders regarding fibre supply to the Bell Bay mill.

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Mr Gay also noted "This decision will also further enhance managed investment scheme and other private grower certainty to fibre markets for their resource into the future."

Mr Gay said Gunns looks forward to working with non-government organisations, the State Government and other stakeholders in relation to this new development for the Bell Bay mill project.

He said discussions with project equity partners and the banking syndicate were continuing positively.

Contact

Company: Calton Frame – 03 6335 5201

Media: Matthew Horan – 0403 934 958

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