

19 November 2008

Company Announcements Platform
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BELL BAY PULP MILL PROJECT PROGRESSING

Integrated forest products company Gunns Limited today said the proposed Bell Bay Pulp mill remained on track to begin construction once financing is secure.

Gunns Chairman John Gay said “media reports claiming the mill was not proceeding were inaccurate.”

“Contrary to the reports, the company is continuing to progress with the project - we are continuing to work hard to satisfy Federal Government environmental approvals and to secure financing.”

“Final Federal Government approval is expected in January 2009 with construction to commence on financial close.”

“In the past weeks we have continued to progress discussions with potential joint venture partners for the mill. Our discussions have been positive and are continuing on a basis which is consistent with our objective of reaching agreement on key terms early in the 2009 year.”

“The company is working towards a financing structure which will not require additional equity to be raised from shareholders.”

Mr Gay said “the mill would comply with the most stringent environmental standards of any industrial project in Australia.”

“This has been a comprehensive process and represents a new international benchmark in good and sustainable environmental outcomes,” he said.

“The mill has been designed to use plantation fibre, and our goal is to progressively increase the plantation sourcing to reach 100 per cent.”

“We believe this will be one of – if not the – most environmentally friendly pulp mill in the world, allowing significant value adding in Tasmania, rather than shipping woodchips offshore to potentially less environmentally friendly mills.”

As announced at the recent AGM, negotiation of a plantation sale transaction is proceeding. The gross proceeds of this transaction are expected to be approximately \$170 million.

Further information:-

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