



11 November 2009

Company Announcements Platform  
Australian Securities Exchange

**GUNNS AGM PROVIDES PULP MILL UPDATE**

Please find attached the media release for release to the market.

Yours sincerely

A handwritten signature in black ink, appearing to read "Wayne Chapman", written over a light grey rectangular background.

**Wayne Chapman**  
*Company Secretary*

11 November 2009

## **GUNNS AGM PROVIDES PULP MILL UPDATE**

Gunns Chairman John Gay told the company's Annual General Meeting in Launceston today that the recent improvement in financial markets had provided an opportunity to progress the final stage of the Bell Bay Pulp Mill project.

"The company is continuing to work positively with its banking group to close the project finance facilities," he said.

"The company is also in dialogue with a number of parties regarding equity investment in the project.

"The Swedish forest products co-operative Södra is one of these parties.

"The parties are continuing to work through detailed discussions in relation to the investment.

"Gunns expects the external equity investment in the project to be approximately 40 per cent of the mill equity requirement."

Mr Gay said the Bell Bay Pulp Mill would take advantage of Gunns' growing plantation timber resource.

"Gunns has a long-term aim to transform the company from a native woodchip business to a plantation-based company," he said.

"In the past 20 years, the company has purchased or secured more than 300,000 hectares of land for plantation development."

"The company's resource development has been aimed at producing a product that replaces native forest woodchips which have traditionally been exported to Asia.

“Now the company is endeavouring to build a domestic pulp mill to process this plantation resource.

“While the past year has been difficult in terms of progressing financing arrangements for the project, it has been made very apparent through this period that the Bell Bay Pulp Mill will be highly competitive in the global market.

“This is due to the location and quality of the wood resource, the scale and design of the mill and the proximity of the mill to the Asian market.”

Mr Gay said there were a number of opportunities arising to secure management and ownership of other plantation assets and processing operations.

Mr Gay also welcomed the company’s new Chief Executive Officer Greg L’Estrange, who provided a report to shareholders at the meeting.

## **Contact**

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