

MEDIA RELEASE



DATE: February 24, 2005
REF: 03/05

PULP MILL STUDY TO FOCUS ON BELL BAY

Gunns Limited today announced it will conduct a comprehensive environmental, economic and social impact study on the development of a pulp mill to be located at Bell Bay.

The mill proposal will be developed utilising world's best environmental practice and technology.

Following consideration of issues, such as infrastructure, zoning and wood supply, at both Hampshire on Tasmania's north-west coast and Bell Bay, Gunns Limited has concluded that Bell Bay is the preferred site for a pulp mill.

Bell Bay provides the most cost effective and economical site for the development.

Environmental consultants GHD have been engaged to undertake a detailed Integrated Impact Statement (IIS), required by the State and Federal Governments. This assessment will be based on a mill design with an initial output of 800,000 tonnes a year – with provision for incremental expansion.

Environmental, engineering and design experts from around the world are relocating to Tasmania to ensure the latest expertise and technology are engaged for the Bell Bay pulp mill project.

Gunns Limited Executive Chairman John Gay said he expected the IIS to be presented to the independent Resource Planning and Development Commission by July.

"A final decision regarding investment in the Tasmanian Pulp Mill Project will be made by the Gunns Limited Board following conclusion of the approvals process," Mr Gay said.

"Bell Bay has been selected as the preferred site based on considerations given to wood supply capacity and supporting infrastructure including road, rail, power, gas and port access.

"One of the key advantages of Bell Bay is that the area is already zoned heavy industrial. With the existence of Comalco, Starwood, Temco and the Bell Bay Power Station, the area is ideally suited to a project of this type."

Mr Gay said Gunns Limited is committed to building the world's best pulp mill from an environmental perspective and further downstream processing of Tasmania's forest resource.

"The Pulp Mill Project provides an opportunity to boost economic growth and create thousands of jobs in Tasmania," he said.

"While commissioning an IIS is a significant step, the Company needs to ensure the project stands up to best practice environmental standards, as well as generating proper commercial returns."

Mr Gay thanked representatives from the Burnie Council, the George Town Council, the West Tamar Council and the Launceston City Council for their assistance and enthusiasm during the site selection process.

"Whilst Bell Bay has been identified as the preferred site by the Company, I am confident the project will generate employment and economic growth across all regions of the State," he said.

"We look forward to working with all Tasmanians to ensure this is a project that we can be proud of."

Gunns Limited has established a number of communication channels for those requiring additional information on the Bell Bay Pulp Mill, including:

- Telephone: 1800 265 297
- Email: pulpmill@gunns.com.au
- Web: www.gunnspulpmill.com.au

For further information, please contact:

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