



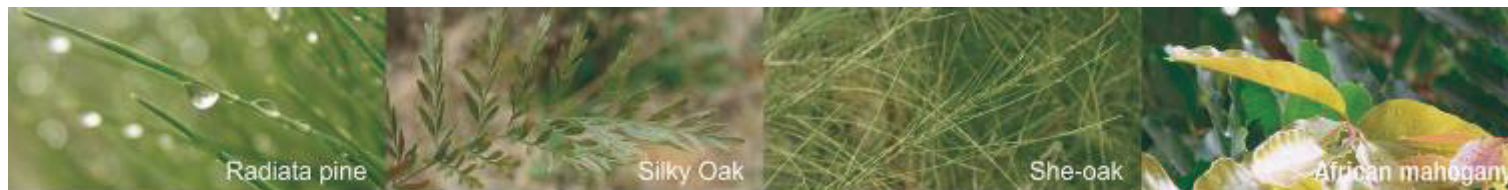
WILLMOTT FORESTS LIMITED

a leading plantation forestry business

with a 30 year history

Renounceable Entitlements Offer

14 October 2009



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IMPORTANT

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These forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Company and its officers, employees, agents or associates. Actual results, performance or achievements may vary materially from any projections and forward looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward-looking statements, and should refer to the risk factors in this presentation.

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WHY ARE WE RAISING EQUITY

- Funding towards the Bombala Sawmill Development
- Establishes a platform for future growth
- Strengthens the balance sheet
- Provides additional working capital

THE ENTITLEMENT OFFER

WFL has announced a 1 for 3 renounceable rights issue (“Entitlement Offer”) to raise approximately \$14.2m following a placement to professional investors (“Placement”) which raised approximately \$6.3m.

- The Entitlement Offer is underwritten to a minimum of \$7.1m by Veritas Securities Limited (“Veritas Securities”)
- The Entitlement Offer is fully renounceable and provides shareholders that do not wish to participate with an opportunity to trade their rights
- The Entitlement Offer will only be available to shareholders with a residential address in Australia and New Zealand (“Eligible Shareholders”)
- Eligible Shareholders will have an equal opportunity to participate in the Entitlement Offer
- All new shares will rank equally with existing ordinary shares

ENTITLEMENT OFFER

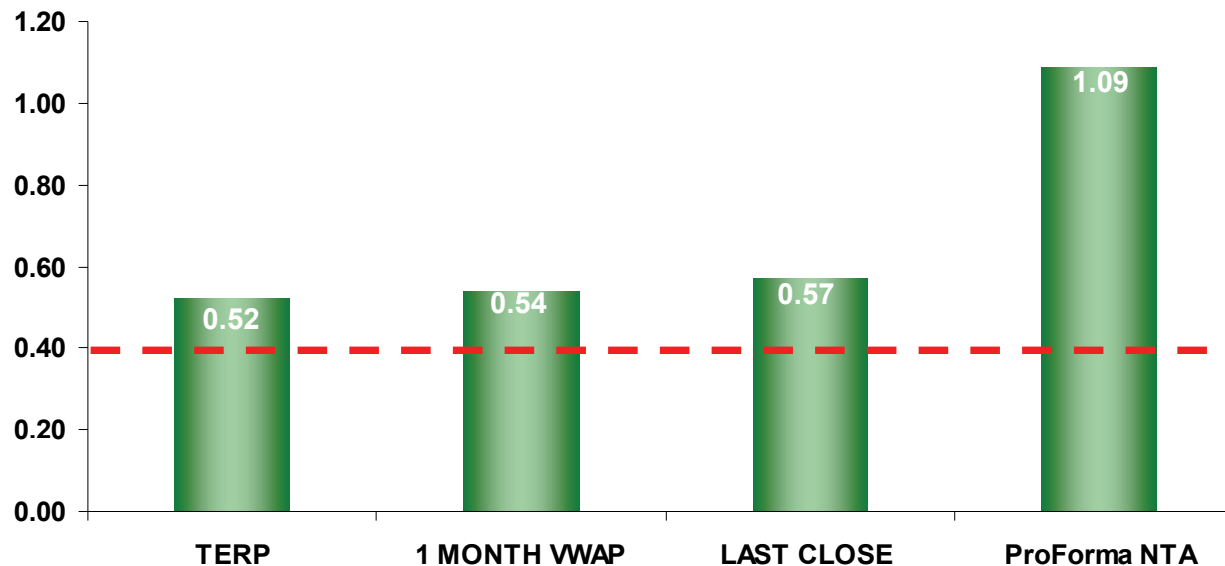
KEY STATISTICS

Eligible Shareholder Entitlement (“the Entitlement Offer”)	The right to subscribe for 1 new share (“New Share”) for every 3 existing ordinary shares held as at Monday 12 October 2009
Issue price per New Share	40 cents per New Share
Amount to be raised under the Entitlement Offer	\$14.2m
Minimum amount to be raised under the Entitlement Offer	The Entitlement Offer is underwritten to a minimum of \$7.1m
Shortfall facility	All shareholders are entitled to apply for a minimum of 5,000 to a maximum of 25,000 New Shares under the shortfall facility.
Shares on issue pre Placement	92,888,351
Number of New Shares issued via Placement	13,933,252
Number of New Shares to be issued under the Entitlement Offer	35,607,201
Expected Shares on issue following completion of the Entitlement Offer	142,428,804

ATTRACTIVE OFFER PRICE DISCOUNT

The Entitlement Offer price 40 cents represents an attractive discount

- **23% discount** to Theoretical Ex-Rights Price (TERP)¹
- **30% discount** to Last Close²
- **26% discount** to 1 Month Volume Weighted Average Price (VWAP)³
- **63% discount** to Pro forma Net Tangible Assets (NTA)⁴



¹TERP assuming Placement and Entitlement Offer conducted simultaneously

²Last Close (pre-trading halt) as at 28 September 2009

³1 Month VWAP to 28 September 2009

⁴Pro forma NTA post Placement and Offer based on audited 30 June 2009 Balance Sheet



SHORTFALL FACILITY

- A shortfall facility is offered to all Eligible Shareholders
- Eligible Shareholders are entitled to apply for additional shares under the Entitlement Offer
- The minimum amount of additional shares available to each Eligible Shareholder is 5,000 shares
- The maximum amount of additional shares available to each Eligible Shareholder is 25,000 shares

UNDERWRITING AGREEMENT

- The Company has entered into an underwriting agreement with Veritas Securities
- The underwriting agreement requires Veritas Securities to underwrite the Entitlement Offer
- The underwriting is to a minimum level of \$7.1 million or 17.8 million shares
- The underwriting agreement together with the shortfall facility increases the prospect that the Entitlement Offer will be successful and fully subscribed

WHY SUPPORT THE ENTITLEMENT OFFER

Opportunity to invest in WFL at an attractive discount, via the Entitlement Offer

- Representing a 26% discount to the 1 Month Volume Weighted Average Price
- a 63% discount to the Pro forma NTA post the Entitlement Offer
- Priced to encourage all shareholders to participate

WFL believes...

- ☑ its long and successful track record in plantation based forestry holds the Company in good stead to benefit from an economic recovery
- ☑ despite recent trading conditions, the long term fundamentals of the plantation based forestry, forest products and forestry investment industries are sound
- ☑ its growth strategy is sound and achievable

ENTITLEMENT OFFER TIMETABLE

EVENT(S)	DATE
Announcement of the Entitlement Offer	Thursday 1 October 2009
Trading of Entitlements commences	Tuesday 6 October 2009
Record Date for Eligible Shareholder Entitlements	Monday 12 October 2009
Entitlement Offer opens and Offer Documents dispatched to Shareholders	Wednesday 14 October 2009
Trading of Entitlements ends	Wednesday 21 October 2009
New Shares quoted on a deferred settlement basis	Thursday 22 October 2009
Entitlement Offer closes	5.00pm (AEDT) Wednesday 28 October 2009
New Shares are issued under the Entitlement Offer	Wednesday 4 November 2009
Dispatch of holding statements	Thursday 5 November 2009

SPECIFIC INVESTMENT RISKS

Financing Arrangements

The Company has indebtedness which, along with adverse conditions prevailing in the global credit markets, could make it more difficult or expensive to refinance debt, incur new debt and/or reduce flexibility in managing its business.

The Company has total facilities of approximately \$135 million as at 30 June 2009 and generally obligations under current finance arrangements are not expected to mature until March 2011 with a \$55 million tranche of these facilities maturing at that time. A further tranche of \$80 million matures in March 2012. Failure to comply with financial covenants or various undertakings, the occurrence of an event of default or an adverse review could enable the lenders to accelerate the Company's repayment obligations.

The Company is affected by the current downturn in the financial markets. A protracted downturn may adversely affect the Company's business and financial position which may place the Company under liquidity pressure. Financial flexibility in a period of reduced availability of credit is traditionally implemented through capital raising measures such as further equity offerings or asset disposals. However, it is noted that both these options may trigger mandatory prepayment obligations under the current debt arrangements.

The Company's level of debt outstanding and the existing security obligations attached to this debt could also have additional adverse consequences including impairing its ability to obtain additional financing or refinancing for working capital, capital expenditures, acquisitions, general corporate purposes or other purposes, and limiting its flexibility to adjust to changing market conditions or to withstand competitive pressures, resulting in greater vulnerability during a downturn in general economic conditions.

Generally, the Company's ability to obtain satisfactory debt or equity financing on acceptable terms depends on a variety of factors, some beyond the Company's control including market conditions, credit availability and prevailing interest rates. Accordingly, there can be no assurances that the Company will be able to obtain sufficient financing from external sources if and when required on terms satisfactory to the Company.

Legislative Risks

The Company's business may be affected by any adverse change in the following:

- taxation laws governing the right of investors in managed forestry investments to claim a tax deduction for plantation and establishment and other costs;
- the Company's capacity to secure future product rulings from the Australian Taxation Office;
- the imposition by a governmental authority of rates, taxes;
- other governmental regulations or actions affecting the ability of the Company to manage and attractively market investments in forestry plantations; or
- native title claims.

It is possible that regulatory or legislative action by local, state or federal governments affecting plantation forestry could change and affect the Company adversely.

SPECIFIC INVESTMENT RISKS cont...

Parliamentary Enquiry, Government Regulation and Taxation

WFL is encouraged by the recent favourable recommendations relating to managed forestry investments contained in the report released by the Parliamentary Joint Committee (“PJC”) following its inquiry in September 2009 into aspects of agribusiness managed investment schemes, however cautions investors that, notwithstanding the recommendations made by the PJC, there is a risk that the Government may not accept the PJC's recommendations (in whole or in part) and introduce legislation having an adverse effect on the operations of WFL.

Managed Forestry Investment Sales Risk

A significant driver of WFL's managed forestry investment sales (“woodlot sales”) is the state of the Australian economy. A downturn in economic activity, poor economic performance, negative share market returns or an uncertain outlook for individual investors has the potential to negatively impact woodlot sales. The current economic downturn and deterioration of economic conditions may have an impact on woodlot sales now and in the future. There is a risk that woodlot sales of future managed forestry investments will be lower than has been experienced in previous years. If lower woodlot sales are experienced in FY2010 (and future years), this is likely to place pressure on the Company's cash flow and could potentially result in a breach of banking covenants.

Woodlot sales are dependent upon the Company obtaining ATO product rulings in respect of each product it offers to the market. Although WFL has successfully obtained ATO product rulings for all of its previous products, there is a risk that this may not be the case in the future.

WFL's managed forestry investments business operates in a competitive environment with a number of providers offering managed forestry investments. The Company's future woodlot sales levels will be contingent on it continuing to develop products which are competitive in terms of price and returns to investors. There can be no guarantee that the structure of the competition within the forestry industry will not change in a manner adverse to the interests of the Company and managed forestry investment investors. Future woodlot sales may, to an extent be, reliant on the availability of off-balance sheet finance for investors.

Risks arising from Managed Forestry Investment Projects

Managed forestry investment projects operated by the Company incur risks that affect the responsible entity for such schemes. Circumstances could arise where claims are made against the Company as the responsible entity of a managed forestry investment project. The occurrence of circumstances giving rise to such claims may affect the shareholders of the Company by affecting the value of shares in the Company and future cash flows from the Company.

The financial success of the Company's managed forestry investment projects will depend on the growth rates of the trees and the price achieved from the sale of wood.

The following features may affect the price of wood and therefore the level of the Company's revenues:

- a fall in demand for plantation grown timber and forest products (in Australia and overseas);
- a rise in the level of supply of plantation grown wood (in Australia and overseas); and
- any significant adverse movement in foreign currency exchange rates.

SPECIFIC INVESTMENT RISKS cont...

Land availability

The ongoing business of WFL in developing and promoting managed forestry investment projects is dependent upon its ability to source (by lease or purchase) agricultural land of suitable quality and specifications for plantation development. The Directors are not able to give any guarantee that the Company will continue to be able to access such land in the future. The price of agricultural land has increased in the recent past. Although the Company anticipates the upward pressure on prices will ease as a result of the current economic conditions and the increased supply of agricultural land for sale, there is a risk that future increases in land prices could reduce the competitiveness of WFL's products and/or its margins or limit the size of its future projects thereby restricting future revenues and earnings. This risk is in part mitigated by the value impact this would have on the Company's land assets, the availability of WFL's current landholding for second rotation and the contracted access that WFL has to lease suitable second rotation land from third parties.

Establishment, management and maintenance of plantations

The WFL group has established managed forestry investment projects annually for the past 30 years. WFL has obligations to maintain these projects in accordance with the relevant disclosure document. These obligations essentially include the provision of the land and the ongoing maintenance of these projects which results in ongoing expenditures including: direct forestry maintenance costs, personnel costs, general overheads and debt servicing costs. The Company's ability to meet these obligations is dependent on many factors including its ability to attract new investment into the establishment of new plantations, revenues from its other business segments, the ability to raise capital; and its share of revenues from established managed forestry investments. Weather conditions that vary significantly from long term averages may have an impact on forestry plantations, and consequently may effect maintenance costs, harvest proceeds and consequently the quantum of deferred lease and management fees.

Agricultural and environmental risks

WFL is obliged to take appropriate steps to control and/or allow investors to insure against (where such insurance is available) agricultural risks inherent in growing a crop. Agricultural risks include some that are outside the Company's control, such as fire, flood, drought, frost, windstorm, hail and others that may be controlled by management practices, such as disease, pests, chemical pollution and environmental damage. Insurance has been available to date against loss by fire. Predictions of global climate change include increased incidence of drought and severe weather events which could increase the risk of managed forestry investment plantations failing. Increased frequency of severe weather events could make insurance cover for investors increasingly difficult to obtain and more costly thereby possibly reducing the benefits of an investment in a managed forestry investment project. WFL is exposed to agricultural risks inherent in growing a crop including climate, acts of god, disease and variations in yield.

WFL uses a number of regulated chemicals in the conduct of its business and believes it has appropriate management systems to manage the risks associated with their use.

WFL's operations are subject to environmental laws and regulations and specific operating licences. WFL believes that its operations and activities are in compliance with such laws and regulations in all material respects. However, no assurances can be given that the application of these laws and regulations or the adoption of new laws and regulations may not have a detrimental effect on the Company's operations or financial performance in the future.

SPECIFIC INVESTMENT RISKS

Productivity estimates

There is the possibility that WFL could misinterpret the factors that affect growth, which could lead to an overestimation of productivity of forest plantations. The productivity of each forest plantation is estimated using methodology that relies on an interpretation of the interaction between climate and soil variables and their impact on growth. If product volumes are less than estimates, proceeds in relation to those products could be less than predicted.

Bombala Saw Mill

The saw mill is a material part of WFL's operations and the Company could be significantly and adversely affected by a major operational failure, reliability issues and downtime at the mill. The production of sawn timber products involves a number of inherent risks relating to the nature of the business. Sawn timber processes are dependent on critical equipment (i.e. saws, edgers, planers, handlers, sorters, boilers, kilns, log in-feeds, debarkers and electronic equipment and computer programs) which may all incur downtime as a result of unanticipated failures or other events, such as fires, breakdowns or loss of power supply. The Company's insurance may not be adequate to cover all losses or liabilities that may arise as a result of any such downtime. Furthermore, the Company cannot predict the continued availability of insurance at acceptable premium levels.

Fuel

Transport of raw materials and also finished products in the forestry industry creates an inherent reliance on the use of heavy vehicles for in-forest operations. There is a risk that increases in fuel costs could adversely affect WFL's operations and the viability of its managed forestry investment projects.

Litigation risks

Litigation risks to WFL include, but are not limited to, claims from growers, investors, employees and contractors, environmental claims and legal actions from special interest groups or from regulators.

Occupational health and safety risks can arise in workplaces such as sawmills.

At the time of the preparation of this document, there is no known, actual or threatened material litigation against WFL.

Changes in technology

There is potential for changes in technology to adversely impact on the demand for a forestry product (including the development of synthetic substitutes for wood).

Product disclosure statement liability

In issuing product disclosure statements ("PDS's") to prospective investors in relation to its managed forestry investment project, WFL must ensure that information provided and claims made as to prospects for investors are not false or misleading. While the Company believes that it has implemented an appropriate due diligence process to guard against the risk of false or misleading statements in its managed forestry investment project PDS's, there can be no guarantee that a claim will not be made against it in the future alleging that such statements have been made.

GENERAL INVESTMENT RISKS

A number of factors outside WFL's control may significantly impact on WFL, its performance and the price of the shares. These factors include:

- economic conditions both in Australia and internationally;
- investor sentiment and local and international stock market conditions;
- changes to government policy, legislation or regulation;
- changes in fiscal, monetary and regulatory policies such as inflation and changes to interest rates;
- relative changes in foreign exchange rates;
- loss of key personnel which could temporarily impact on efficient operation of WFL's business;
- the nature of competition in the industries in which WFL operates and possible increased competitiveness of alternative suppliers; and
- developments in technology and markets generally.

Revenues, expenses and cash flows could be negatively and significantly affected by any of the above factors, which in turn may affect the price of shares. In particular, the share prices for many companies have in recent times been subject to wide fluctuations, which in many cases may reflect a diverse range of non-specific influences such as global hostilities and tensions, acts of terrorism and the global financial crisis. Such market fluctuations may materially adversely affect the market price of WFL shares. No assurances can be made that WFL's performance will not be adversely affected by any such market fluctuations or factors. None of WFL, or its Directors or any other person guarantees the performance of WFL or the market price at which the shares trade.

TAXATION & FOREIGN SELLING RESTRICTIONS

Taxation implications

Taxation implications will vary depending upon the individual circumstances of an Eligible Shareholder.

Eligible Shareholders wishing to take up their entitlements under the Offer should seek their own professional taxation advice.

Foreign Selling Restrictions

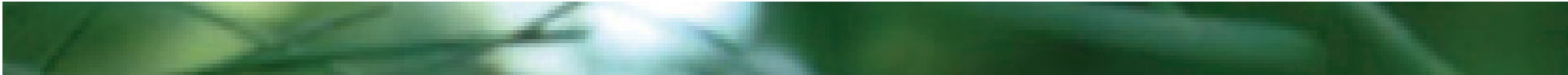
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