

30 August 2007

The Manager
Company Announcements Platform
Australian Stock Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Sir,

PULP MILL UPDATE

Gunns Limited was last night notified by the Federal Minister for Environment and Water Resources of an extension of the period required for assessment of the Bell Bay Pulp Mill project.

The Company expected some delay following the recent extension of the public comment period by the Minister and legal action by mill opponents to appeal the decision of the Federal Court of 9 August 2007.

The Company maintains its full commitment to pursue the project.

Yours faithfully,



JOHN E GAY
EXECUTIVE CHAIRMAN