

4 October 2007

Company Announcements Platform
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PULP MILL EPBC ACT APPROVAL

Please find attached a media release relating to today's decision by the Minister for Environment and Water Resources Malcolm Turnbull to approve the company's Bell Bay pulp mill project.



WAYNE CHAPMAN
COMPANY SECRETARY



**Media Release
4 October 2007**

GUNNS WELCOMES PULP MILL DECISION

Gunns Limited has welcomed the decision of the Minister for Environment and Water Resources Malcolm Turnbull to approve the company's Bell Bay pulp mill project.

Gunns' Executive Chairman John Gay said Mr Turnbull's approval, following on from the overwhelming approval of the State Parliament, is a key step towards Tasmania beginning to gain the benefits of the \$1.7 billion project.

Mr Gay said Gunns was always confident it had designed a world's best practice pulp mill and the approval process has confirmed this. It was satisfying to hear the confidence of the Chief Scientist that the mill operating in compliance with the stringent conditions applied would most likely have an environmentally neutral impact.

"Despite the misinformation, dishonesty and indeed threats from the project's opponents, Mr Turnbull has upheld due process and approved the project.

"While we have been concerned at the time this process has taken, the Minister should be commended for making a thoroughly considered decision.

Mr Gay said the conditions placed on the development at state and federal levels represent the most stringent in the world. While there are a number of modern mills with similar advanced technology, there is none that operates under the level of regulation now established for the Bell Bay mill.

"The mill proposal has been through an exhaustive process involving the presentation of a comprehensive integrated impact statement prepared by experts for public comment, review by national and international experts and the full consideration of state and federal regulatory authorities.

"The mill as proposed simply represents the best technology available and will result in the best environmental outcome achievable.

Mr Gay said the importance of the project to Tasmania could not be underestimated.

"We are determined to develop a pulp mill that meets the most stringent environmental standards as approved by the Tasmanian Parliament and the Commonwealth Minister, and one that will significantly add value to Tasmania's forest resource. And we will do this in a sustainable way, preserving our forests for future generations and without adverse impact on the local atmosphere and marine environment surrounding the mill."

The Bell Bay pulp mill will be the largest ever investment by the private sector in Tasmania, and the largest ever by the forestry sector in Australia. It will add around \$6.7 billion, or 2.5 percent to the Tasmanian economy.

Construction of the Pulp Mill and flow-on investment will create some 3500 direct and indirect jobs spread across the trades and other areas. A further 1500 to 1600 additional direct and indirect jobs will be created during the mill's operation. These jobs will be sustained through the lifetime of the project.

The increase in value of pulp compared to export woodchips will reduce Australia's balance of trade deficit in forest products by an impressive 25 per cent and the project will generate an additional \$900 million in extra government revenue for social distribution in the community that can be used to help fund health, education, roads, police and other essential services.

Mr Gay said Gunns and its pulp mill proposal had been subject to a most vexatious and dishonest campaign of opposition.

Mr Gay said the mill truly represented the best available technology and would be operated according to world's best practice.

The company has substantially progressed commercial aspects of the project. These matters will now be completed in the near term and the project will be presented for final sign off by the Gunns Limited Board.

Ends...

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