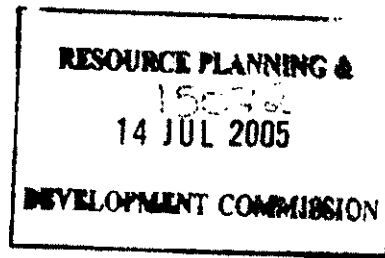


12 July 2005



Mr Julian Green
Resource Planning and Development Commission
L3, 144-148 Macquarie st
HOBART TAS 7000

Dear Mr Green,

Your correspondence of July 6 and attached report from Beca Amec has been studied in detail by our consultants Jaakko Poyry have formulated a response which is attached. Your correspondence refers to detail about two generic issues as I understand it viz.

Issues considered non compliant with AMT

While our consultants quite innocently prepared a paper which we submitted in relation to the use of radiata pine and it's impact on emissions, your consultants have identified a number of unrelated peripheral issues. When viewed in isolation to a raft of technical data forthcoming in the IIS, it is understandable a great deal of unanswered questions would materialise. Essentially, Jaakko Poyry are well aware of the guideline requirements in relation to AMT, have advised Gunns of recent technology that can be demonstrated as AMT and we have moved forward with the knowledge that sufficient justification will be required. Given that the guidelines allow for this process, such justification will be submitted in the IIS.

Your main concern relating to an Integrated chemical plant, has three such plants in the world which can be demonstrated operating to the technical standards required.

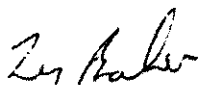
Method of controlling fugitive emissions

You have stated that Gunns has not been forthcoming about how the issue of fugitive emissions will be addressed. We are confused about the process here as we are not aware of any requests in relation to this issue or how it relates to any current issues under review. Gunns certainly intends to address fugitive emissions and their impact on health and the environment in the IIS and will be

providing detail about collection and disposal systems as well as inclusion of TRS content in atmospheric modelling.

You make mention in this section about the requirement for 12 months air shed monitoring as a requirement under the guidelines. In accordance with Pam Scott's email to Les Baker on July 1, Gunns will submit a substantive paper authored by one of Australia's eminent air shed experts that will demonstrate how a statistically significant solution can be sourced in an alternative way.

Yours sincerely



for. John Gay

Managing Director