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Company Announcements Office
Australian Securities Exchange

2010 Woodchip Price

Benchmark price for Australian plantation grade woodchip maintained

Elders (ASX:ELD) has announced that negotiations for the calendar year 2010 benchmark price for Australian plantation grown Tasmanian bluegum woodchip for export to Japan have concluded with agreement that existing prices be maintained.

The negotiations secured maintenance of the existing price of AUD \$207.40 free on board (FOB) per bone dry metric tonne (BDMT), for environmentally certified plantation grown Tasmanian bluegum exported from Australia. The price is applicable for sales from 1 January 2010 to 31 December 2010 during which period Elders Forestry is contracted to supply woodchips to its paper manufacturer customers in Japan. Contracted volumes for the period have been increased by over 12 % to over 370,000 green metric tonnes per annum.

Mr. Vince Erasmus, Chief Operating Officer of Elders Forestry, who led the negotiations on behalf of Australian plantation hardwood producers, said that the agreement was a positive outcome in the current market circumstances.

"We have been able to preserve prices and increase our supply volumes from last year even though global demand for woodfibre has continued to be softer than pre-GFC levels. This outcome highlights the competitiveness of the Australian certified plantation woodchip in Japanese markets" said Mr Erasmus.

Further comment:

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