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QPFL ACQUIRES TIMBER MILLING CAPACITY

A leading timber plantation investment company, Queensland Paulownia Forests Limited, is set to significantly expand its operations, after purchasing its own timber mill.

The mill at Kogan, in southern Queensland, will be used to process timber from QPFL's seven Paulownia plantations in Queensland and New South Wales.

Chief Executive Ian Sandeman said the acquisition would allow the company to move to the next phase of its development.

"QPFL has been involved in the growing of Paulownia timber for the past nine years," Mr Sandeman said.

"But we don't want our involvement to end there. We want to take control of the processing as far down the value adding chain as possible.

"That's why we've purchased this mill and that's why we're looking at other acquisitions or mergers with processors who can help us develop new Paulownia products."

Mr Sandeman said the company's board had already approved a planned expansion of the Kogan mill, which is currently used to process cypress pine.

"We've purchased this mill as a going concern, so we will be continuing to mill cypress pine there," he said.

"Initially there will be enough capacity for milling Paulownia in the same facility, but we're planning to build an adjoining mill on the same site to cater for increased volumes of both cypress pine and Paulownia."

The planned expansion, worth about \$8 million, will also include upgraded milling technology and a new downstream timber processing facility.

QPFL recently completed its first harvest of investor timber at the Kingaroy plantations, with that timber now to be processed at the Kogan mill.

The company is also preparing for a major new planting program, beginning in October, when more than a million seedlings will be planted at its Forbes plantation.

Mr Sandeman said QPFL was encouraged by strong investor interest in timber plantation projects.

“Agribusiness experts say investment topped the \$1 billion mark last financial year and about 70 percent of that went to timber projects.

“It’s a reflection of the increased market confidence, particularly when it’s a high value timber like Paulownia.”

Paulownia is a lightweight hardwood, which can be used for timber blinds, marine board and other products manufactured with jointed board.

Currently QPFL has 650,000 Paulownia trees growing on its plantations at Bundaberg, Eidsvold, Kingaroy and Surat in Queensland and at Forbes in New South Wales.

For further information, please phone QPFL CEO Ian Sandeman on 07.5579 1700 or Melanie Christiansen at Sequel Communications on 07.3251 8133.