



**Timber Innovation creates new industry for WA**

Denis Cullity, Chairman of WESBEAM Holdings, announced today that WESBEAM has signed an agreement with the State Government to build an eighty million dollar Laminated Veneer Lumber (LVL) factory at Wanneroo, to be sited in the new industrial area of Neerabup, 45 kilometres north of Perth, close to the Gnangara Maritime Pine plantation.

The agreement with the State secures the softwood intake for the plant under a 25 year contract with the Forest Products Commission.

The factory will produce 100,000 cubic metres of LVL, plywood and veneer from an annual intake of 160,000 cubic metres of pine logs to be sourced predominately from Gnangara.

WESBEAM was established to carry on the investigative work first commenced by WESFI prior to its merger with Laminex in February last year. WESBEAM purchased the intellectual property gained by WESFI prior to the merger and has spent some one million dollars since then in further research.

Mr Cullity said "James Malone, previously CEO of WESFI and now CEO of WESBEAM has been joined by previous WESFI Senior Executives with first class track records in finance, marketing, engineering and administration to form a strong and diversely experienced management team."

Mr Malone commented "We plan to commence construction before the end of 2002 with the commissioning of the plant to be completed by the end of 2003. Markets for the product are Western Australia, the Eastern States, Asia and North America, all of which have been thoroughly researched".

He added, “The primary market thrust however, will be the local WA market where the opportunity exists to replace high strength indigenous hardwoods previously sourced from old growth forests with a modern engineered wood product sourced from local plantation softwoods”.

Mr Malone explained, “Softwood logs in 2.4 metre lengths with diameters from 150mm and up will be converted into sheets 24 metres long, 1.2 metres wide with a thickness of 38mm to 120mm in a highly automated process.”

Mr Cullity concluded by saying “The combination of the social, commercial and environmental benefits from an LVL industry in WA is unique. It will give the State an economic high value end use market for its Maritime Pine, provide employment in a technologically advanced world competitive forest products industry, pioneer a new industrial area in Perth’s northern corridor, provide an impetus to the growing of commercial tree crops on salt threatened farming land, increase the potable water supply to the Perth area, provide a locally produced product for the State’s building and construction industry and produce export income.”

The project is expected to provide valuable employment and training opportunities for 140 Western Australians and is an example of how innovative business development is adding value to State owned resource.

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