

NEWS RELEASE

Wednesday, 3 January 2001

**ACCC AND NZ COMMERCE COMMISSION APPROVE
PAPERLINX - SPICERS MERGER**

The Australian Competition and Consumer Commission today announced that it would not oppose the acquisition of the outstanding shares in Spicers Paper Limited by PaperlinX Limited. This follows an undertaking by PaperlinX to divest the Commonwealth Paper Company, in addition to the offer to divest Edwards Dunlop Paper.

The divestment of Commonwealth Paper, which was acquired by Spicers in May 2000, is not expected to materially affect either the level of cost synergies estimated to be achieved by PaperlinX from the merger, or the extent of the expected enhancement to PaperlinX's earnings per share.

The New Zealand Commerce Commission has also cleared the proposed merger.

The terms of the undertakings to be provided to the ACCC are currently being finalised. Accordingly, on 28 December, 2000, PaperlinX extended the offer period. The Offer is now scheduled to close on 29 January, 2001.

For further information please contact:

Mr Ian Wightwick
Managing Director
PaperlinX Limited
Ph (03) 9811 9258

Mr David Shirer
Executive General Manager
Corporate & Investor Relations
PaperlinX Limited
Ph (03) 9811 9802
Ph (0407) 512 521