

ASX RELEASE

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PAPERLINX LENDERS GRANT WAIVERS

PaperlinX confirms that its lenders and note holders have provided waivers in respect of the non-compliance by the Company with certain of its financial ratio covenants for the period ending 31 December 2008.

Under the terms of these waivers, PaperlinX must satisfy certain conditions. These include the payment of a higher lending margin, payment of new facilitation fees, and provision of certain security by 31 March 2009. Additionally, PaperlinX must gain approval from lenders and note holders before declaring dividends or making distribution payments on its ordinary shares and hybrid securities.

PaperlinX must also complete agreements with lenders and note holders by 31 March 2009 regarding security and future loan terms.

For further information, please contact:

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Editors Note:

PaperlinX is the world's leading fine paper merchant, with businesses in Australia, New Zealand, Asia, North America and Europe. Through its Australian Paper division, it is also the only Australasian producer of high quality communication papers including Reflex, Australia's leading copy paper, and a major Australian producer of high performance packaging and industrial papers.