

# Alterra Sells Part of Dambadgee Springs for \$3.1M

## Highlights

- Alterra enters contracts to sell 913Ha for \$3.1M
- Funds will be redeployed to support Alterra's avocado development projects
- 727Ha retained including the \$2.5M Yandin Wind Farm income stream
- Alterra to continue adding value on remaining land

Alterra Ltd (ASX:1AG) (**Alterra** or **the Company**) is pleased to announce it has entered two contracts for the sale of its "Dambadgee Springs" property totalling 913 hectares of the 1,640-hectare property to a local farmer.

The property was purchased in March 2017 for \$4.2 million plus stamp duty of \$0.2 million.

Contract 1 valued at \$1.6 million is subject to finance (30 days) and expected to settle on or before 10 July 2020.

Contract 2 valued at \$1.5 million is subject to finance (30 days), land survey and subdivision approval. Contract 2 is expected to settle on or before 20<sup>th</sup> January 2021. The buyer has agreed to lease the area contained in Contract 2 for the 2020 cropping season.

The area retained by Alterra includes the \$2.5 million of contracted income from Yandin Wind Farm [<https://www.asx.com.au/asxpdf/20191203/pdf/44c72sk9jr5prs.pdf>], as well as surface water resources with development potential and areas suitable for livestock, plantation forestry and carbon forestry.

The partial sale of this non-core asset will enable Alterra to access additional working capital to advance development operations at the Company's projects in the South West region and retire debt on the Dambadgee Springs property.

Of the funds received from the sale:

- Contract 1: \$1.3 million is expected to be retained for working capital with the balance utilised to retire debt
- Contract 2: \$0.7 million is expected to be retained for working capital with the balance utilised to retire debt

Based on completion of the above sales, the Dambadgee Springs property is currently achieving a six per cent internal rate of return (IRR) and 18 per cent return on investment (ROI).

Post settlement of Contract 2, Alterra expects to receive approximately \$100,000 p.a. (net of costs) from a combination of leasing the retained land and wind farm income with an estimated ongoing annual ROI of 15 per cent based on the remaining equity held by Alterra.

"Alterra is prioritising its development activities in the South West of Western Australia and the majority of capital released from this sale will be redeployed into Alterra's avocado investment program, including the recently announced Carpenters Project in Pemberton," said Alterra Managing Director Oliver Barnes.

"Alterra intends to continue adding value to the remaining land at Dambadgee Springs through pasture improvement for grazing as well as carbon and plantation forestry."

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## About Alterra Limited

Alterra is an originator, developer and manager of in-demand agricultural assets with a focus on 'land use change' opportunities in Australia, developing underutilised land and water into the next generation of agricultural assets capable of supplying premium whole foods. Alterra drives sustainable growth to leave a positive social, environmental and economic legacy to unlock investment-grade returns. Visit [alterra.com.au](http://alterra.com.au) for more information.

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