

Carpenters Project Update

Alterra Ltd (ASX:1AG) (**Alterra** or **Company**) is pleased to provide an update in relation to the Company's flagship avocado project, Carpenters.

The tree health of the first 5-hectares planted in October 2020 is encouraging with positive flush of growth emerging as the trees establish.

Alterra has been working closely with its local partners French's Group and Yambellup Estate on its tree management protocols as well as global irrigation leader Netafim on its drip irrigation and fertigation systems.

This combined expertise encompasses all of the key agronomic practices required for the project, including nursery production, land development, water management, tree establishment, irrigation, fertigation, and canopy management.

An electromagnetic survey for Stage 2 covering 52-hectares has been completed with field preparations, drainage and detailed irrigation designs now underway. A site office and associated infrastructure is in place to support Stages 1 and 2 of the Project. The Company is progressing discussions with several potential equity providers to fund this next stage.

Significant Progress on Dam Construction



Construction of the 4,100 megalitre dam to provide long-term security of water supply to the Project has significantly progressed. The existing 37 megalitre holding dam and 500 megalitre per annum of water secured from adjoining property 'Casuarina' will be used to support the Project while the main dam infrastructure is completed. The landowner continues to work closely with regulatory authorities in relation to licences and permitting throughout the development process.

Alterra's objective throughout the development process is to generate value for shareholders whilst promoting sustainable agriculture and enhance economic livelihood of rural communities in and around the southern region of Western Australia.

Please visit Alterra's website at <https://alterra.com.au/projects/carpenters-project/> for the latest video on the Carpenters Project.

This announcement has been authorised by the Oliver Barnes, Chief Executive Officer of Alterra.

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About Alterra Limited

Alterra is an asset manager that provides origination, development and management services for land and water assets in Australia. We work directly with landowners and agricultural producers to unlock and reposition water assets through change in land use, ownership structure, regulatory management and application of technical know-how to create large-scale horticultural assets. This process opens direct investment opportunities structured for sophisticated investors.

Following the completion of the 300-hectare Feasibility Study (FS) in December 2020, Alterra has been focused on managing the 5-hectare trial site and securing funding for the 52-hectare next stage of development.

The FS was underpinned by extensive and rigorous testwork, data and modelling and confirmed the opportunity for the Company to develop a large-scale project in a premium horticultural region.

Key outcomes from the FS include:

- 30-year life span
- Pre-tax NPV8 of \$99M and IRR of 22%
- Development capital of \$40.6M (\$33.8M net of management fees) over 3 years
- Water self-sufficiency with access to 4.1GL dam for irrigation

Visit alterra.com.au for more information.

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Forward Looking Statements

This announcement contains forward-looking statements that involve risk and uncertainties. Indications of, and guidelines or outlook on, financial position and returns, performance, targets, timelines, estimates and assumptions in respect of production, prices, operating and other costs, capital expenditures and development timelines are forward looking statements. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and estimates regarding future events and actions that, while considered reasonable as at the date of this announcement are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and readers are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are subject to various risk factors that could cause actual events or results to differ materially from the events or results estimated, expressed or anticipated in these statements.