

MIDWAY LIMITED

(ASX: MWY)

ASX and Media Release

Midway enhances its plantation management capability

31 August, 2017 – Geelong, Australia – Midway Limited (ASX: MWY, **Midway** or the **Company**), Australia's largest woodfibre processor and exporter, has substantially enhanced its plantation management capability with the acquisition of Plantation Management Partners Pty Ltd (**PMP**).

PMP is a privately-owned plantation management business with over 70,000 hectares of plantation currently under management in Northern Australia and Southeast Asia. It is based in Darwin and has a strong industry reputation as a high-quality plantation manager.

The acquisition of PMP will involve an initial investment of \$7.5 million with up to a further \$2.5 million to be paid over two years subject to achieving certain milestones. The purchase will be fully funded from Midway's existing cash and bank facilities.

The acquisition is value accretive, with PMP expected to generate annual revenue in excess of \$11 million. There is also significant potential to generate additional revenue from expansion of PMP's plantation management business, with a number of growth projects in Northern Australia and South East Asia currently in the pipeline.

The acquisition of PMP is expected to settle on 2 October 2017. There are no regulatory approvals and only limited third party consents required to complete the transaction.

An important part of the current PMP business is 34,000 hectares of predominantly Acacia mangium and Pinus caribaea plantation land on Melville Island (Northern Territory) managed on behalf of the Tiwi Plantation Corporation Pty Ltd. Melville Island has the only deep water North Australian port for hardwood woodfibre and is strategically situated within close proximity to key marine trade corridors. Midway believes there is an opportunity to attract financing to assist the Tiwi Islanders in developing a sustainable plantation business into the future

PMP also currently manages a 13,000 hectare plantation teak estate in Cambodia for an international institutional timber investment organisation and a 24,000-hectare Eucalyptus and Acacia plantation estate in Laos for another large timber investment management organisation.

The Chief Executive Officer of Midway, Tony Price, said: "The acquisition of PMP fits with our strategy of growing earnings by leveraging our existing capability, diversifying our revenue and customer base and providing excellent growth prospects."

"In addition, the business has been acquired at a fair price and will generate good incremental earnings from year one with real potential to build earnings in future years," Mr Price said.

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About Midway Limited

Midway Limited is a leading Australian forestry company with headquarters in Geelong, with majority shareholdings in South West Fibre Pty Ltd (SWF) based in the Green Triangle, and Queensland Commodity Exports Pty Ltd (QCE) based in Brisbane. Founded in 1980, Midway is primarily involved in the production and export of high quality wood fibre to producers of pulp, paper and associated products in the Asian region. For further information, visit www.midwaylimited.com.au/.