

5 December 2016

**Onterran Limited (ASX:OTR)**

**ASX Announcement**

## **Couran Cove Development Update and Summary of Assets Acquired**

Following we provide detail of Onterran's near-term Couran Cove development plans and a summary of the Couran Cove assets acquired to date.

### **Near-Term Development Plans**

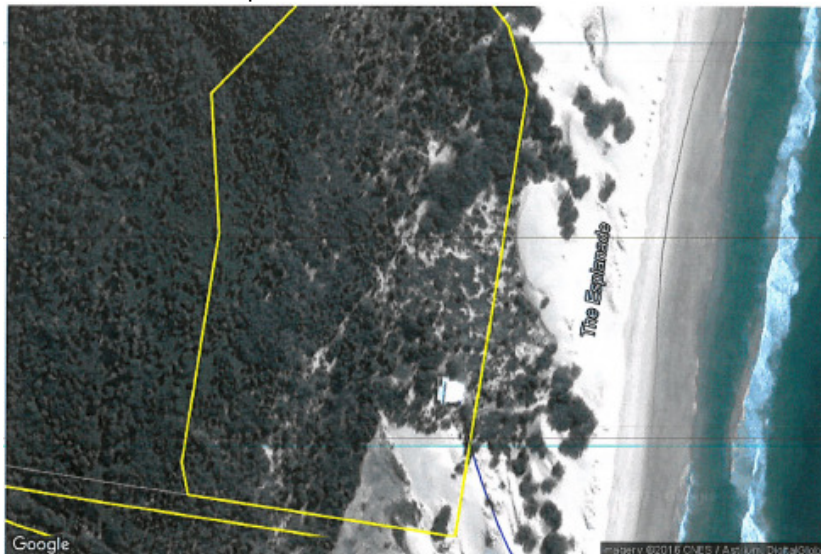
As foreshadowed in previous announcements, Onterran Ltd has made a decision to accelerate development at Couran Cove Resort. This is in two specific areas and is the basis of the current Share Purchase Plan.

#### 1. Glamping - Ocean front Land

As previously advised, part of the Couran Cove acquisition is a long-term lease over 20.8 hectares of Beachfront Land at South Stradbroke Island. This land has views to the Gold Coast to the South, but is virtually uninhabited as most of South Stradbroke is predominantly National Park with a very limited population.

An overhead plan of the beach site showing its proximity to the beach is pictured below. This land is approved for camping in conjunction with Couran Cove Resort, a surf club (existing) and a public pool (not existing). As part of the initial construction of the resort, infrastructure such as power, water, sewerage and telecommunications was installed to the site and accordingly, it is essentially fully serviced.

Picture 1: Overhead plan of the beach site



As you can see, this is a substantial parcel of beachfront land currently leased until 2058 with 30 year extensions. We have received advice that our proposed glamping cabins meet state legislation for camping and that as the site is an existing camping ground, that this usage in accordance with the lease

and development approval. The cabins in question will not be permanent structures, will be environmentally friendly, and specifically meet legislation and requirements of the lease.

Full designs will not be released at this time, but the images below are actual photographs from the land, showing a view from a future cabin. These cabins have been designed and priced, and in our view will provide an exceptional long term income stream for Onterran Ltd. Design and certification is being undertaken currently and Onterran would like to act immediately on this matter. We are of the view that this part of the project will bring positive national exposure to the resort and have a positive impact on all real estate in the resort and provide a long-term income stream. As the land is 20.8 hectares, over time we believe a substantial number of these glamping cabins can be installed.

Picture 2: View from a future cabin

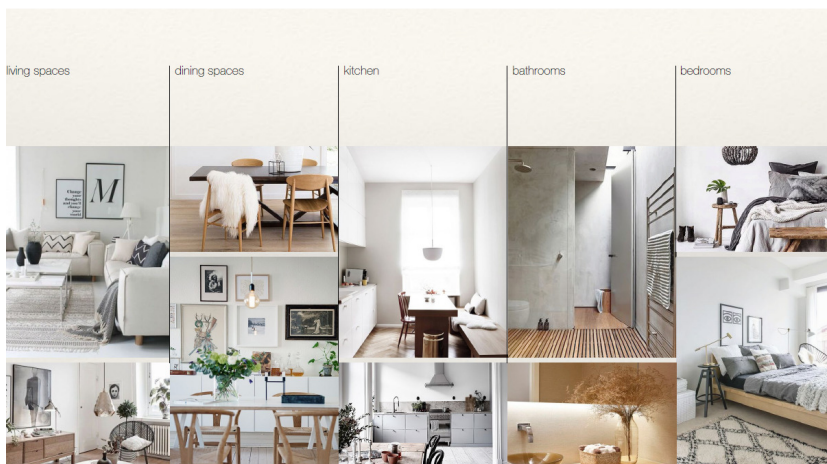


## 2. Eco Precinct

As previously announced, Onterran Ltd has acquired land approved for approximately 200 houses in a mid-island location known as the Eco precinct of Couran Cove. Onterran Ltd has completed design and pricing of the proposed cabins, pictured below.



Picture 3: Design of Proposed Eco Cabins



These cabins will be a mixture of duplexes and two bedroom cabins depending upon the needs of prospective purchasers. The pricing of the cabins has come in at a price where we believe in respect of each cabin sold, there will be a meaningful profit. For commercial sensitivity reasons, specific costings will not be released.

With the addition of a large ferry to the resort, our agents have advised of strong enquiry for rentals at strong rates. Again, with much positive publicity around improvements in the resort, Couran Cove becomes a viable alternative to live permanently.

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With a strong Gold Coast market, strongly improved Christmas bookings and general strength in tourism assets in Queensland, we would like to accelerate development of the Eco precinct, including building houses to rent and sell, and renovating a large area known as the Interactive Centre. This is a former museum, general store and liquor outlet in the Eco precinct. Development of this is not a material cost, but provides a village centre to the enhanced precinct, and will add another long-term income stream to the project.

We feel that accelerating this part of the overall project to take into account a strong market is in the best interests of shareholders and will be substantially earnings accretive.

Overall, our Couran Cove project is performing ahead of expectations.



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### Assets acquired to date

As previously announced to the market on 21 September 2016, Onterran Limited has settled the major portion of the proposed asset acquisitions at Couran Cove.

A detailed description of the of the assets acquired by Onterran and its subsidiaries to date is as follows, noting that a further three apartment contracts are still awaiting settlement:

| Asset                          | Short Description   | Size  | Number acquired |
|--------------------------------|---|---|-----------------|
| Marine Deluxe Apartments       | An open plan studio design, with a large waterfront balcony offering views over the marina.   | 62m <sup>2</sup>  | 62              |
| Marine Suite Apartments        | A 1-bedroom apartment design, with the master bedroom separate to a spacious lounge room complete with 2 sofa lounges for extra guests.   | 74m <sup>2</sup>  | 37              |
| Lagoon Lodges                  | Apartments are fully air conditioned and boast a large private deck with steps leading directly onto the beach. With two spacious bedrooms, these apartments are ideal for families or groups of friends. The open plan concept combines the living, dining and kitchen area – creating the perfect environment to entertain. They also feature a Carrara marble twin basin bathroom, large bath and shower with a separate toilet. Rooms are self-contained. | 117m <sup>2</sup> to 126m <sup>2</sup>                      | 7               |
| Eco Lodges                     | Cabins are located within the Banksia forest in the secluded tree canopy pockets. These cabins are fully contained with open living areas that are smartly furnished with a well-equipped kitchen. Eco Cabins are perfect for that family holiday hideaway in nature and immersing yourself in South Stradbroke Island's Rainforest.  | 76m <sup>2</sup> to 131m <sup>2</sup>                       | 1               |
| Broadwater Villas              | Multi-level villas create the ideal environment for larger families or groups of friends wanting a weekend getaway. Boasting a large kitchen, two separate living areas and a huge balcony it is the perfect space for entertaining or escaping. Each four-bedroom villa offers two Carrara marble twin basin bathrooms.  | 209m <sup>2</sup>   | 2               |
| Lagoon Lodges Development Land | Three lots of vacant land in the Lagoon Lodges precinct for development of new Lagoon Lodges.   | 220m <sup>2</sup> ; 785m <sup>2</sup> ; 4,510m <sup>2</sup> | 3               |
| Eco Lodges Development Land    | Vacant land in the Eco Lodges precinct for development of new Eco Lodges.   | 14.5 Ha   | 1               |
| The Point Development Land     | Vacant land at the entrance of the marina, to the West of the Resort.   | 2,168m <sup>2</sup>   | 1               |
| Arrivals Building              | Located in the marina, the Arrivals Building is the reception area of the Resort.   | 2,314m <sup>2</sup>   | 1               |
| Leasehold Lots                 | Term lease from the State Government for the pontoons in the Marina and for the Surf Club and access road.  | 6,904m <sup>2</sup> ; 207,570m <sup>2</sup>                 | 2               |
| Interpretive Centre            |   |   |                 |
| Ferry                          | 110 seat ferry for transportation of resort guests to and from the resort.  |   | 1               |
| Conference Centre              |   |   |                 |
| General Store                  |   |   |                 |
| Office Buildings               |   |   |                 |



| Asset               | Short Description   | Size | Number acquired |
|---------------------|---|------|-----------------|
| Plant and equipment | <p><u>Fixed assets including plant and equipment</u><br/>all items of plant, equipment, machinery, tools, motor vehicles (including golf buggies and trailers), marine vessels and associated equipment, kitchen equipment, air conditioning equipment, fire safety equipment, security systems, gardening systems, telephone systems, spa equipment, furniture, fit-out, finished and office equipment whether fixed or not, situated in, on or about the resort.</p> <p><u>Operating equipment</u><br/>All items (other than the Fixed Assets including Plant and Equipment) and used (or intended to be used) in the day to day operation of the Resort, including items which are either used or unused and not in circulation in the Resort's outlets, including uniforms, cleaning utensils, cutlery, glassware, crockery and utensils for food and beverage service, posts, pans and other kitchen utensils, linen, bathrobes, blankets, doonas, pillows, towels, tablecloths and other Manchester items and gardening tools, cleaning equipment and parts, materials and equipment used in the repair, maintenance or operation of any other Resort assets.</p> |      |                 |

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