

ONTERRAN LIMITED (ASX: OTR)**ASX ANNOUNCEMENT****FOR IMMEDIATE RELEASE TO THE MARKET**

Onterran Limited (**Onterran**) wishes to announce the sale of its share in Island Resorts Pty Ltd (**Island Resorts**). Island Resorts is the holder through subsidiaries of certain assets including development land, management rights (including associated real property) and the operating business of the Couran Cove Island Resort. Onterran, through subsidiaries, will remain owner of 80 apartments.

The sale of Island Resorts, to a subsidiary of major Sydney boutique property group EDG Capital Limited (**EDG Capital**), is seen as the best opportunity to protect and enhance remaining value for all classes of shareholder of Onterran.

The decision to sell this asset was based on the Couran Cove Island Resort needing an owner with a stronger capital base than Onterran. To be able to make the asset truly successful, capital in the order of \$7 million to \$10 million is estimated to be required. The Board of Onterran determined that in current circumstances this capital could not be raised on a timely or commercial basis or in a manner that would enhance the return for Onterran classes of shareholder.

EDG Capital have a clear vision for the Couran Cove Island Resort, and plan to invest the capital needed to make Couran Cove a true success. Onterran looks forward to being part of this future through its continued ownership of the 80 apartments mentioned above.

The consideration for the transaction is assumption of significant liabilities, which in most cases would flow up to Onterran, with total consideration being approximately \$17 million. EDG Capital is an existing secured creditor.

With a new owner in place who plans to invest significantly in the Couran Cove Island Resort, Onterran will be free to pursue other opportunities available to it, whilst still gaining indirect benefit from investment in the resort from the investment of the new resort owner.

The sale is subject to regulatory approval and Onterran will make an application to the ASX under listing rule 11.2 to determine whether shareholder approval is required to complete the sale. Day to day management control of Couran Cove Island Resort will pass to the buyer at time of execution of the contract but rights and title will not pass to the buyer



until all conditions precedent are met and the transaction is completed. Lachlan McIntosh will remain a director of Island Resorts until completion of the transaction. In the event that further funding is required and the transaction does not complete, then Onterran will be required to repay any further advances made by EDG Capital.

The Board of Onterran see this as the best possible outcome for all stakeholders at both Onterran and at Couran Cove and welcome the professionalism and drive that EDG Capital will bring.

The Group is working to complete outstanding audits and annual general meetings and expects which it expects to complete by 30 June 2019.

A further announcement regarding Onterran is expected shortly.

For further information please contact:

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