



ASX Announcement

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**Wellard to proceed with Superior Deal to sell  
M/V Ocean Swagman for US\$25.2M**

Wellard Limited (ASX:WLD) (**Wellard** or the **Company**) advises that it has received and accepted a proposal to sell the M/V Ocean Swagman for US\$25.2 million to Trim Shipping SA, Panama, a subsidiary of ultimate holding company Nova Marine Holdings SA (**Nova**), of Luxembourg.

The offer from Nova is US\$3.2 million higher than the previously announced proposed sale of the M/V Ocean Swagman to Heytesbury Holding Company Pty Ltd (**Heytesbury**) for US\$22 million (refer 4 July and 30 July 2019 announcements). The Nova transaction remains subject to approval of the Nova board, however, Wellard considers that (if approved) it is likely to lead to a superior outcome than the Heytesbury transaction.

#### THE NOVA TRANSACTION

The main elements of the sale of the Ocean Swagman to Nova are as follows:

1. Sellers: Wellard Ships Pte. Ltd., Singapore
2. Buyers: Trim Shipping SA, Panama (being a subsidiary of Nova Marine Carriers SA, Lugano, Switzerland)
3. Price: USD 25,200,000 (inclusive of 1% brokerage payment)
4. Deposit: 10% deposit
5. Delivery: Between 1 November and 13 December 2019
6. Payment: On delivery of the Vessel, anticipated 30 November 2019
7. Inspections. Divers inspection only, Buyers waive their right to inspect the vessel and records
8. Free Sale: There is no charter or lease-back arrangement under this transaction.
9. Conditions Precedent: Nova's Board approval to be granted by 19 August 2019; and standard sale documentation to be agreed.

#### HEYTESBURY TRANSACTION

The Heytesbury transaction remains on foot.

As announced on 30 July 2019, Heytesbury requested an extension of time to complete its due diligence into the transaction generally (its due diligence on the vessel having already been complete). Heytesbury has now confirmed it has completed all its due diligence. On

this basis, Wellard has entered into an Implementation Agreement for the Heytesbury transaction. Subject to some minor changes around triggers for the break fee, the Heytesbury transaction remains on substantially the same terms as previously announced. If the Nova transaction proceeds, the Heytesbury transaction would not complete, and a break fee may become payable.

## NOTEHOLDER STANDSTILL ARRANGEMENTS

Wellard is continuing to negotiate a standstill agreement with its noteholders which reflects and supports the sale of the Ocean Swagman to either of Nova or Heytesbury. Whilst this has not yet been finalised, the Board is working productively with the Company's noteholders and believes a mutually acceptable arrangement is achievable.

### **For further information:**

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## *ABOUT NOVA MARINE HOLDINGS*

See the following website for details of Nova: [www.duferco.com/shipping/](http://www.duferco.com/shipping/)

## *ABOUT THE M/V OCEAN SWAGMAN*

The MV Ocean Swagman, a new technologically advanced, purpose-built vessel, sailed on its maiden voyage in January 2010. She has the capacity to transport 7,000 cattle or 26,000 sheep, or a combination of both.

The MV Ocean Swagman provided a step change livestock vessel design and construction with a singular focus – enhanced welfare and safety of livestock, vessel and crew.

Its Dual Independent Propulsion System, comprising separate engine rooms and propellers, provides levels of redundancy, and therefore safety, rarely seen in cruise liners and never before built into livestock vessels.

The advanced ventilation system fans an average of 110 air changes per hour, four times the Australian standard and 3.5 times the number of air changes per hour on a commercial airliner.

The MV Ocean Swagman has been classified by the Registro Italiano Navale (RINA) as a 'Green Star Vessel', due to its low emissions and pollution prevention design and systems.

Vessel specifications:

*Length:* 130 metres  
*Breadth:* 21.6 metres  
*Keel to mast height:* 24 metres  
*Gross tonnage:* 12,892 tonnes  
*Livestock area:* 8,000 m<sup>2</sup>

*Number of decks: 7*

*Summer draft: 7.8 metres*

*Freshwater capacity: 2,000,000 litres (almost equivalent of Olympic sized swimming pool)*

*Freshwater production: 320,000 litres per day from 4 reverse osmosis desalination plants*

*Fodder capacity: 2,000 cubic metres (equivalent 1,500 tonnes) in two fodder tanks*

*Air circulation: 110 air changes/hour (3.5 times minimum standard)*

*Speed: 17 knots*

*Engines: 2 Wartsila 9L32*

*Crew: 34*