



ASX Announcement

TOTAL PAGES: 2

19 August 2019

### Extension to Ship Finance Repayment Schedules

Wellard Limited (ASX:WLD) (**Wellard** or the **Company**) advises that it has reached a conditional agreement with Ruchira Ships Limited (**Ruchira**) to extend by 24-28 months the repayment schedules for the M/V Ocean Ute (**Ocean Ute**) and M/V Ocean Drover (**Ocean Drover**) until December 2021. Ruchira effectively provides vessel finance on each of these vessels through a sale and leaseback contract. If the agreement becomes unconditional (on Ruchira obtaining board approval), there will no longer be near-term balloon payments due in the first half of FY2020 on the bareboat charter arrangements for these vessels. A standstill arrangement which includes a waiver of existing defaults has also been reached with Ruchira.

#### KEY POINTS

- Under the new arrangements with Ruchira, approx. A\$20M originally due to be paid between now and December 2019, has been rescheduled for repayment over an additional 24-28 months;
- Both Ruchira and the noteholders will waive all existing covenant breaches, further improving Wellard's compliance profile;
- The Company's ongoing financial restructure is further advanced, with lower monthly repayment obligations and improved cashflow.

Wellard Executive Chairman, Mr. John Klepec said "Wellard is pleased to have had the ongoing cooperation of Ruchira to achieve these arrangements. They represent further evidence of progress in our financial restructure, and provide a clear path forward for the company."

"Immediate and significant cash flow benefits will result from lowering the amortisation payments and deferring until December 2021 the requirement to buy back the M/V Ocean Drover and M/V Ocean Ute."

The M/V Ocean Ute and M/V Ocean Drover are owned by Ruchira and leased back to Niuyang Express Pte Ltd (**Niuyang P/L**) and Ocean Drover Pte Ltd (**Drover P/L**) respectively, both of which are wholly owned Wellard subsidiaries.

Further details of the transaction follow, over.

M/V Ocean Ute:	The bareboat charter and associated documents relating to the Ocean Ute are amended as follows:
	<ul style="list-style-type: none"> <li>▪ Date of repurchase to be extended for 28 months to 25 December 2021.</li> </ul>
	<ul style="list-style-type: none"> <li>▪ The repayment amortization schedule is also extended to 25 December 2021</li> </ul>
	<p>The outstanding amount of approx. US\$2.9 million will be paid</p> <ul style="list-style-type: none"> <li>▪ 10% up-front</li> <li>▪ 60% during the subsequent amortization period; and</li> <li>▪ 30% final balloon payment</li> </ul>
M/V Ocean Drover:	The bareboat charter and associated documents relating to the Ocean Drover are amended as follows:
	<ul style="list-style-type: none"> <li>• Date of repurchase to be extended 24 months to 16 December 2021</li> </ul>
	<ul style="list-style-type: none"> <li>▪ The repayment amortization schedule is also extended to 16 December 2021</li> </ul>
	<p>The outstanding amount of approx. US\$14.34 million will be paid</p> <ul style="list-style-type: none"> <li>▪ 10% up-front</li> <li>▪ 60% during the subsequent amortization period; and</li> <li>▪ 30% final balloon payment</li> </ul>
Interest	The effective interest rate on outstanding amounts payable to Ruchira under both these arrangements is 11.242%.
Standstill & Waiver	Ruchira will provide waivers for existing breaches or events of default in respect of Niuyang P/L, Drover P/L and Wellard Limited in relation to the existing bareboat charter and associated arrangements.
Approval required:	<p>Ruchira's Board must approve these transactions by 30 September 2019.</p> <p>If such approval is not obtained, then the transactions will not complete, the current bareboat charter and associated documents will remain in place and the up-front payments made by Wellard will be credited to the existing repayment obligations.</p> <p>In such circumstances, so long as Wellard's payments remain up to date, the waivers will remain in place.</p>

**For further information:**

**Investors**

Executive Chairman, John Klepec  
Phone: + 61 8 9432 2800

**Media**

FTI Consulting, Cameron Morse  
Phone: + 61 8 9485 8888  
Mobile: + 61 (0) 433 886 871