

## **Wingara Ag enters MoU with Horsham Rural City Council and provides an update on PHPC Acquisition**

- Signed Memorandum of Understanding to purchase a 20Ha parcel of land for a greenfield development in Horsham, Victoria.
- Delay on the acquisition of a controlling stake in Pyrenees Hay Processing Co-Operative Ltd (“PHPC”).

**Tuesday 11<sup>th</sup> October 2016, Melbourne, Australia:** Victoria based agricultural business Wingara Ag Limited (ASX:WNR) is pleased to announce that the Company has executed a Memorandum of Understanding (‘MoU’) with the Horsham Rural City Council (‘HRCC’) which gives the Company an exclusive option to purchase a 20 Ha greenfield site adjacent to the railway terminal and commence development application for with HRCC.

The acquisition of this greenfield site will enable the Company to invest in and develop a regional agricultural business centre focusing on the provision of processing, storing, warehousing, logistics, and marketing key agricultural products including, but not limited to, fodder and grain. The company will leverage its hay processing capability and develop another ‘hub’ in Western Victoria to meet potential demands from both domestic and international customers. Our current projection is that the facility will be developed over the next 3-4 years with projected capital costs of approximately \$10.5m. The company intends to initially rely on its current balance sheet, future operating cash flow, bank financing and government funding to meet this requirement.

The Company is working with HRCC to finalise the development plan based on internal investment assessment and will update the market of further developments and indicative timings in due course. The Company’s target of reaching annual hay production capacity of 100 KT by end of 2018 will be reached through the development at Horsham.

### **Update on existing transaction:**

Since the market announcement on 7 July 2016, the Company has been finalising due diligence and documentation in relation to the acquisition of a controlling stake in PHPC. PHPC’s board approved the transaction with members’ endorsement in late September. However, due to risk posed by outstanding matters from the due diligence process, Wingara Ag Board and Management are of the view that the completion of the transaction in its current status is not in the best interest of Wingara’s shareholders. PHPC is working on resolution of these matters with the target to finalise the sale by the end of the March 2017 quarter.

In the meantime, we will look to use the Company’s cash reserves to develop the facility at Horsham, reduce our borrowing costs, liabilities, and cover working capital requirements for the coming harvest season. We will also continue to search and identify other business acquisitions that will have a positive impact to the company’s EBITDA.

For and on behalf of the Board;



Gavin Xing  
Executive Chairman  
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**About Wingara Ag Limited:**

Wingara Ag Limited aims to be the leader in the sale of agricultural products to the domestic and international markets, particularly focusing on the export of hay products to Asia. By adhering to the highest standards of production we ensure a reliable source of hay to our clients, enabling them to meet their business demands confident in the quality of our product.

We are also dedicated to supporting local producers and our commitment to providing an equitable relationship with Australian farmers allows us to source the best product available. Wingara is committed to ensuring we uphold the highest standards of integrity throughout the organisation, ensuring that we create an environment in which individuals continue to strive to meet our goals.

**Forward-Looking Statements:**

Certain statements made in this release are forward-looking statements and are based on Wingara Ag's current expectations, estimates and projections. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "guidance" and similar expressions are intended to identify forward-looking statements. Although Wingara Ag believes the forward-looking statements are based on reasonable assumptions, they are subject to certain risks and uncertainties, some of which are beyond Wingara Ag's control, including those risks or uncertainties inherent in the process of both developing and commercialising technology. As a result, actual results could materially differ from those expressed or forecasted in the forward-looking statements. The forward-looking statements made in this release relate only to events as of the date on which the statements are made. Wingara Ag will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this release except as required by law or by any appropriate regulatory authority.