



Wellard

ASX Announcement

21 July 2016

Wellard Announces a Reschedule of Delivery of M/V Ocean Kelpie

Wellard Ships and Uljanik d.d. (**Uljanik**) have reached an agreement for a new delivery date of the M/V Ocean Kelpie, which is now scheduled to be delivered during the third quarter of FY18, previously scheduled for the second half of 2017.

The new date reflects a more realist production program for Uljanik and at the same time assists Wellard to match shipping capacity with cattle supply in Australia.

The new agreement does not involve a penalty payment from Wellard and does not remove the right to liquidated damages for late delivery. The new production schedule will also postpone some of the stage payments, enabling Wellard to utilise its cash in other areas of the business.

Wellard is also in advanced discussions with lenders for a shipping loan to cover a substantial part of the investment in the M/V Ocean Kelpie.

“We are pleased to have reached this agreement with Uljanik which will ensure the quality of the vessel entering our fleet and time the entry with more favourable market conditions than the original schedule,” Wellard CEO Mauro Balzarini said.

“By the time the M/V Ocean Kelpie commences operations we expect the Chinese market to be in full swing, cattle availability in Australia to be improved and a better balance between supply and demand.”

For further information:

Investors

Managing Director, Mauro Balzarini
Phone: + 61 8 9432 2800

Media

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

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