



ANGAS SECURITIES LIMITED ABN 50 091 942 728
AUSTRALIAN FINANCIAL SERVICES LICENCE NO. 232 479

15 March 2018

MARKET UPDATE – SALE OF FURTHER PORTION OF FERNHILL ESTATE

On 29 June 2012, the Company advanced debenture funds to acquire the first mortgage over Fernhill Estate from a Melbourne based financier. The security comprised four (4) precincts:-

- Central Precinct being the site of the historic homestead on 384 hectares. It formerly included standalone land parcels known as Henry Cox Drive and Woodend respectively which the Company has since sold as mortgagee;
- Eastern Precinct which is a large site with residential development potential adjacent to the Mulgoa Village. It remains intact;
- Western Precinct which adjoins the Blue Mountains National Park. It formerly comprised Lot 1 and Lot 31. The former site of 110 hectares is in the process of being subdivided. The latter has since been sold by the Company as mortgagee; and
- Mayfair Precinct comprised five residential land parcels on Mayfair Drive. All have been sold.

The Company freed up debenture capital by re-financing portion of the acquired loan into a first mortgage facility over Fernhill Central only utilising funds from a syndicate which the Company managed through Angas Contributory Mortgage Fund ("ACMF"). This further cash enabled the Company to successfully execute the "Re-Awakening of Fernhill" program to revitalize and restore Fernhill Central, undertake bio banking across several precincts and pursue residential development processes which are still ongoing.

The Company has realised over \$9.0M from sale of the eight discrete land parcels described within the total holdings above together with a further \$22M having been realised from bio banking sales in line with prior advice to the market.

The NSW Government, through its Office of Strategic Lands ("OSL"), has entered into a contract to purchase the remainder of Fernhill Central precinct from the ACMF Syndicate. OSL has paid a deposit of 10% of the sale price and settlement will take place three months from now. The purchase price is \$27.25M. The sale proceeds will discharge the ACMF loan with the balance available for distribution to debenture investors.

The sale of Fernhill Central to OSL was negotiated by Ken Jacobs of Christies International Real Estate. Legal advisers to ACMF were members of the Property and Finance teams at HWL Ebsworth Sydney Office.

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