



Wellard

ASX Announcement
27 May 2016

Vessel finance secured for M/V Ocean Shearer

As anticipated in its prospectus, Wellard Ltd (ASX: WLD) (**Wellard** or the **Company**) is pleased to advise that it has finalised a vessel finance agreement with Intesa Sanpaolo S.p.A., Hong Kong Branch, Italy's largest bank by market capitalisation, for the financing of the recently delivered livestock carrier, the M/V Ocean Shearer.

The 10-year loan in the amount of US\$59 million, is backed by a commercial risk insurance policy from China Export & Credit Insurance Corporation (**Sinosure**) and shall be funded at commercial rates (USD LIBOR-plus). The loan contains terms and conditions (including financial covenants) standard for such a ship finance and includes a review event if Mauro Balzarini and his related entities cease to hold, either directly or indirectly, at least 19.90% of shares of Wellard of the 36.6% he currently controls.

As progress payments during vessel construction were largely funded by Wellard through internal cash sources, a substantial portion of the finance now raised will be added to the Company's group liquidity and working capital and available for various corporate activities.

"We are pleased with the terms of the vessel finance arrangement we have negotiated," said Wellard Managing Director, Mauro Balzarini.

"The long-date tenure reduces the amount of principal repayments thus enabling Wellard to use cash generated by the vessel for other general corporate activities. It also boosts our working capital headroom to fund increased livestock trading."

"I congratulate our team in Singapore, the Intesa Sanpaolo team in Hong Kong and Sinosure in Dalian. This financing partnership reinforces our relationship with China where we are gaining an increasingly important foothold."

"Intesa Sanpaolo has a long history with Wellard (including two prior vessel financings), which will be extended with this new commercial relationship. We are pleased with the terms and conditions of the arrangement which demonstrates the financial strength of Wellard and confidence in our business model."

For further information:

Investors

Mauro Balzarini, Managing Director

Greg Wheeler, Finance Director

Phone: + 61 8 9432 2800

Media

Cameron Morse, FTI Consulting

Phone: + 61 8 9485 8888

Mobile: +61 (0) 433 886 871

www.wellard.com.au