

Media Release



18 October 2018

Altus and Mitsui partner for growth

Altus Renewables Limited ('Altus') and Mitsui & Co., Ltd. ('Mitsui') have entered into a new long-term wood pellet offtake agreement in relation to Altus' Tuan wood pellet production facility located near Maryborough, Queensland and will jointly explore the construction of a significant new production facility in Australia's Green Triangle region of South Australia and Victoria.

The 1 million metric ton (MT), 10-year sale and purchase agreement, will see the export of 100,000 MT of industrial wood pellets per annum from the Port of Bundaberg to the Japanese power generation market.

Industrial wood pellets are used at power stations reducing their carbon emissions.

Additionally, Mitsui has provided Altus with a finance facility that will enable the company to upgrade its Tuan wood pellet production facility to achieve an annual production of 125,000 MT.

The funds will also enable the company to complete the construction of a dedicated wood pellet storage and export facility at the Port of Bundaberg, including a new export conveyor linking Altus' facility to Queensland Sugar Limited's ship loading infrastructure.

Altus Renewables Managing Director and Chief Executive Officer Ian Sandeman welcomed the agreement with Mitsui.

"The long-term offtake and financing agreement will enable us to substantially scale up and respond to growing market demand from the Japanese market," Mr Sandeman said.

Altus and Mitsui have also entered into a memorandum of understanding to conduct a feasibility study for the construction of a greenfield 500,000 MT per annum wood pellet production facility to be located in the Green Triangle region of South Australia and Victoria.

"Building on our Queensland operations, we are looking forward to further strengthening our relationship with Mitsui by exploring opportunities to build a world-scale operation in the Green Triangle region with the potential to be the biggest plant in Australia," Mr Sandeman said.

The facility is estimated to take approximately two years to complete, bringing employment opportunities and investment to the region. Altus and Mitsui aim to complete a feasibility study on the Green Triangle Project by the first quarter of 2019.

For further information:

Ian Sandeman
Managing Director & Chief Executive Officer
0409496675
i.sandeman@altusrenewables.com

About Altus:

Altus Renewables is an Australian wood pellet producer with its wood pellet plant located alongside the Hyne & Son sawmill at Tuan, near Maryborough, QLD. The company services international pellet markets in Europe and Asia through the Port of Bundaberg. The expansion of the Tuan plant and the new project planned for the Green Triangle Region in South Australia will allow Altus to capture a key part of a fast-growing sector of the renewable energy market.

About Mitsui:

Mitsui & Co., Ltd. ('Mitsui') is one of the world's most diversified trading, investment and services enterprises. In Australia Mitsui manages a diverse portfolio of businesses in industries including iron ore, coal, oil, gas, power generation, transportation, construction and mining machinery, chemicals, steel products, woodchips, salt, food, and financial services. On an equity basis Mitsui and its group companies are the fourth largest exporter in Australia with approximately A\$8 billion in total exports annually. In the past 10 years Mitsui group companies have invested about A\$15 billion in Australia.