

Central Highlands Meat Processing Plant

Strategically positioned to access cattle supply and meat markets cost effectively with scope for future expansion.



This is an opportunity to invest approximately A\$100 million into a new meat processing facility near the township of Emerald in Central Queensland, Australia that has the capability to process over to 100,000 head of beef cattle per year to supply the domestic and international markets.

INVESTMENT OPPORTUNITY OVERVIEW

The preferred site for this facility in Central Queensland offers a potential competitive advantage in freight and logistics over competitors due to its strategic position in Australia's largest cattle producing state. The facility also has strong prospects to gain a foothold in the sizeable local cattle market with demonstrated support from the local cattle industry to utilise the facility.

With its location providing easy access a significant supply of local cattle and the site positioned close to road and rail networks, the facility offers the operator the potential to efficiently supply the Australian and sizeable export markets for processed beef.

INVESTMENT OPPORTUNITY HIGHLIGHTS

- The region's catchment area contains almost 3 million head of cattle and has the potential to provide a large pool for supply to this facility
- The facility has the capability to process over 100,000 head of cattle, as well as render by-products
- A feedlot and feed mill will be established on the site to support the facility
- Competitive advantage in transport costs of over to \$40 per head savings could be achieved over existing meat processing facilities in Southern Queensland
- The facility will have the capability to process premium meat products and provide contract processing services



- Strategically located close to beef industry infrastructure including sale yards and 59 feedlots
- Located in close proximity to a road and rail network ensuring efficient transport of cattle to the facility and processed meat to customers in the Australian or export marketplace
- Strong support from the local community, industry stakeholders and council for the development of a processing facility and quantified evidence from the cattle industry that a new facility would improve their marketing options
- Feasibility assessment of four sites was completed, with the preferred site identified west of Emerald
- The Central Highlands Regional Council are committed to provide considerable assistance to the project operator

BUSINESS OVERVIEW

The meat processing facility is expected to process over 100,000 beef cattle market share from the Queensland beef cattle market. The cattle markets serviced by this facility will likely be a combination of cattle producers seeking a processor to sell their cattle for processing and those that are seeking a processor to provide a processing service, delivering their beef products back to them to market themselves.

The cattle processed through this facility will supply both domestic and export markets for processed beef. Cattle producers within the catchment area of the processing facility will have the opportunity to co-invest with the operator, in the facility and process their livestock at the plant. Further the operator can provide the platform for a group of like-minded producers to co-operate and build a regional branded beef product.

The plant will incorporate the most appropriate technology for livestock processing ensuring efficient and profitable operations. Indicative layout of the major elements of the facility would include slaughter and offal processing, carcass chillers and freezers, boning room, value add facility, rendering plant, meat meal and tallow facilities. It is anticipated that the facility will run one shift per day for 240 days a year and employ over 180 full time staff. The facility will be designed to provide the option of future expansion should demand warrant.

This facility will create long term manufacturing jobs in regional Queensland.

The benefits of the meat processing facility include:

- Strategically located for access to a large volume of beef cattle supply
- Close access to road and rail infrastructure for transport of cattle and meat to the facility and markets at a cost advantage to existing competitors in the local meat processing market
- Ability to potentially offer a diversified product mix and capability to focus on sought after premium product lines to maximize returns
- Potential to significantly expand the scale of the operations to accommodate future growth, particularly from growth in demand from Australia's key export markets for beef

FINANCIAL METRICS

The table below is a summary of the costs in Australian dollars that are estimated for construction and operation of the new facility.

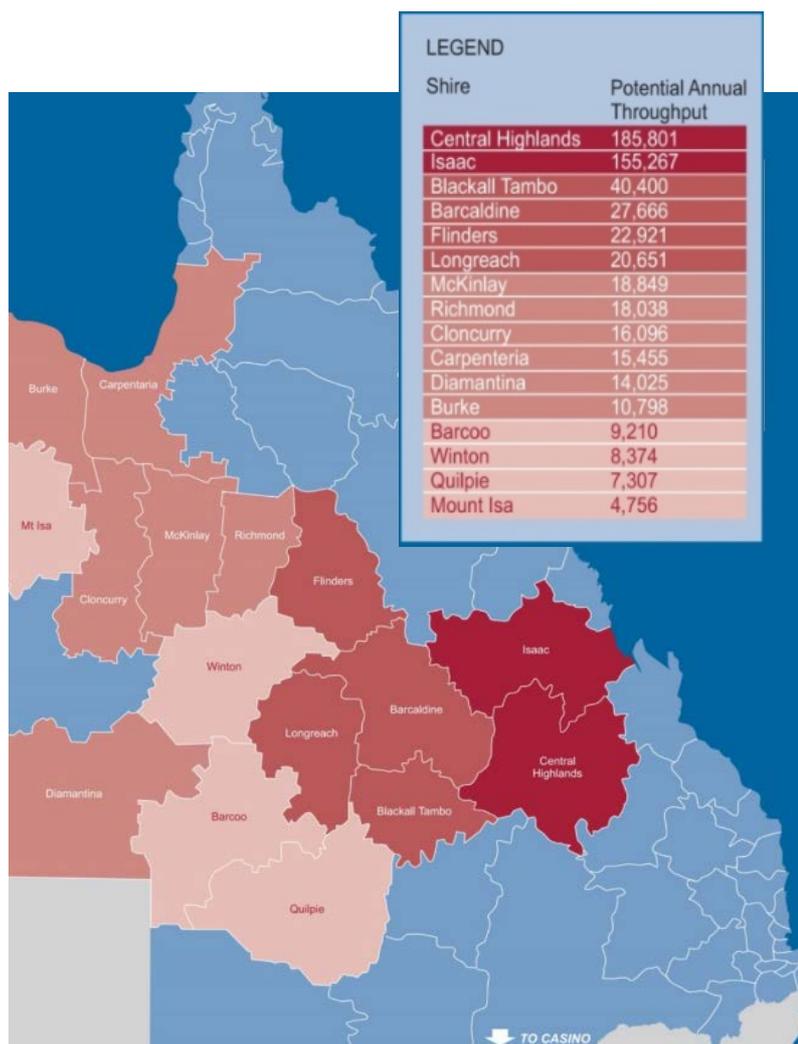
Estimated Construction and Operating Costs

| Construction | Operation |
|--------------------------------|----------------|
| A\$90 Million – A\$120 Million | ~A\$35 Million |

CURRENT PROJECT STATUS AND CAPITAL REQUIREMENTS

The Central Highlands Regional Council are developing a site master plan and assessing the best options for site development.

CHRC are seeking Government assistance around the required service and support infrastructure for the site.



For further information

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