



Australian Agricultural Company Limited
ABN 15 010 892 270

AACo Board approves construction of Northern Territory meat processing facility

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Australian Agricultural Company Limited (AACo) today announced that the Board has approved the commencement of civil works and the appointment of a Project Manager, for the meat processing facility near Darwin in the Northern Territory.

The Processing Facility at Livingstone Valley, 50km south of Darwin will be developed at a total capital cost of around \$85 million.

Donald McGauchie, AACo Chairman, said the decision was a significant milestone for the company and a natural next step towards vertical integration, particularly given AACo's proximity to the growing Asian markets.

"The Board determined that the project fundamentals around a processing plant in the Northern Territory are compelling, and believes it will secure the long term future of Australia's northern pastoral industry," he said.

"AACo is continuing with its outlined objective of raising third-party equity in the project, and is involved in discussions with a number of potential investors who have expressed interest in the project, although would also have access to internal sources of capital should available third party terms prove unattractive.

"AACo welcomes further engagement with both the federal and state government to pursue staff training opportunities and the development of community assets, including port, roads and regional medical facilities, to advance the critical public infrastructure required to secure optimisation and security of this project."

Following the purchase of the land and planning approval, detailed planning for the facility is well advanced, with the project manager, principal contractor and earthworks contractor to be appointed shortly and civil works expected to begin within the next two weeks. Earthworks will take 10-12 weeks to complete.

Tender documents have also been released for drainage concrete, steelwork, insulated panel and specialised equipment.

Facility construction and equipment installation is expected to be complete in the third quarter of next year, with commissioning beginning immediately.

This plant will be built as a Hot Boning facility with flexibility to incorporate chillers for prime cattle processing when required. The state-of-the-art processing facility has a design capacity of up to 225,000 head per annum. It is proposed that the plant will process up to around 200,000 cattle per year once production levels are achieved.

The facility will create 260 direct and a further 530 indirect jobs, including substantial new opportunities for indigenous and female workers in the region. It will inject \$126 million a year into the local economy, will be efficient from a carbon emissions standpoint, and improve animal welfare outcomes.

The Livingstone site is approximately 600ha in size, of which approximately 14ha will be occupied by the meat processing facility. The balance of the site will comprise irrigation zones, natural wetlands, ponds and other areas providing facility and amenity to the site. The additional land purchased will ensure a sufficient buffer zone between the abattoir and adjoining areas.

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