

## MIDWAY LIMITED (ASX: MWY)

### ASX and Media Release

#### Midway invests in WA biomass sector

**11 October, 2018, Geelong, Australia** - Midway Limited (**Midway**) (ASX: MWY), Australia's largest woodfibre processor and exporter, has further diversified its operations by investing in the growing Western Australia biomass sector.

As part of its growth strategy, Midway will:

- Invest up to \$5.5 million to acquire 100 per cent of Softwood Logging Services (**SLS**), a woodfibre and biomass harvesting, processing and logistics business in Southwest WA; and
- Invest up to \$2.5 million to acquire 40 per cent of Biogrowth Partners (**BGP**), a biomass procurement and marketing business which supplies woodfibre to the WA biomass market. The arrangement also includes a call option at Midway's discretion to purchase a further 10% of BGP, exercisable 12 months after completion date.

The final Midway investments are subject to post completion balance sheet adjustments and earn-out targets. The investments will be funded from existing banking facilities. A recent capital raising will maintain a strong balance sheet and low debt to equity position.

Both investments are expected to be earnings accretive in FY20. As existing revenues are denominated in Australian dollars, the investments will further reduce Midway's US dollar export exposure.

Midway Managing Director, Tony Price, said: "The acquisition is consistent with Midway's strategy of growing earnings by leveraging our existing core capability including processing, marketing, harvesting and plantation management.

"SLS provides Midway with access to equipment, management expertise and contracts for the harvesting and delivery of biomass and other forest products in south-west Western Australia, Mr Price said.

"BGP also secures biomass resources, contracts with SLS for processing and logistics, and markets the processed biomass to contracted domestic customers. It will provide Midway with the opportunity to participate in the emerging biomass market in Australia and overseas."

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**About Midway Limited**

Midway Limited is a leading Australian forestry company with headquarters in Geelong, with majority shareholdings in South West Fibre Pty Ltd (SWF) based in the Green Triangle, and Queensland Commodity Exports Pty Ltd (QCE) based in Brisbane. Founded in 1980, Midway is primarily involved in the production and export of high quality wood fibre to producers of pulp, paper and associated products in the Asian region. For further information, visit [www.midwaylimited.com.au/](http://www.midwaylimited.com.au/).