

MIDWAY LIMITED

(ASX: MWY)

ASX and Media Release

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Midway secures 11% price increase for woodchip exports to China

Midway Limited, (**Midway** or the **Company**) Australia's largest wood-fibre processor and exporter, has secured a significant increase in hardwood woodchip export prices from major Chinese customers.

As a result of recent contract negotiations, major Chinese customers have agreed to an average price increase of 11 per cent for Midway woodchip export volumes in the first half of the 2019 calendar year.

This means that major Chinese customers will pay on average of \$US182 per bone dry tonne for *Eucalyptus globulus* woodchips, our highest quality product, in 2019. As two-thirds of total Midway woodchip volumes go to China the price increase is expected to positively impact second half profits in the 2018-19 financial year.

Major Japanese customers paid an average of \$US164.50 per bone dry tonne for *E.globulus* woodchips the 2018 calendar year. Japanese customers take one-third of total Midway wood-fibre exports. Price negotiations with Japanese customers for the 2019 calendar year commence early next year.

Midway Managing Director, Tony Price said the latest price increase reflected tight wood-fibre supply in Asia and continuing strong demand for wood fibre in China for a range of paper products, high quality cardboard used in consumer product packaging and rayon for clothing.

"RISI, a leading global forest products analytics company, has forecast continuing tight wood fibre supply in Asia and buoyant demand conditions particularly in China for the next few years, so the Midway export price outlook continues to be positive.

"This price increase and expected future demand growth is a very positive sign for future plantation development in the areas in which we operate."

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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.