

NAIF NEWSLETTER

Message from the CEO



It has been a busy month at NAIF. The changes to NAIF's Investment Mandate have had an immediate impact, playing a direct role in two new Investment Decisions, as well as the provision of an indicative term sheet for the Genex Kidston Stage 2 project in north Queensland.

1. Humpty Doo Barramundi Investment Decision

On 16 May 2018, the Minister for Resources and Northern Australia, Matthew Canavan, Chief Minister of the Northern Territory Michael Gunner and I announced a loan of up to \$7.18 million to Humpty Doo Barramundi Pty Ltd (HDB) that will finance the first of a proposed three stage infrastructure project. All three stages would take NAIF's commitment to a potential overall \$30 million program. This would be matched by private sector loans through ANZ, bringing the total project size to \$60 million. NAIF wishes to maintain an ongoing connection with HDB as it works towards its full program rollout. Our media release about the decision can be found [here](#).

Stage one of the project, our first Investment Decision in the Northern Territory, includes the development of a solar farm, fish nursery, processing facility and feed systems. Stages two and three will include potential off farm, multi-user processing facilities and further expansion of the solar farm and nursery.

Additional outcomes from the three stage development include creating up to 50 jobs, generating renewable energy and assisting other barramundi growing businesses.

2. James Cook University Investment Decision

Minister Canavan was then joined by Queensland Senator, the Hon Ian MacDonald on 3 July 2018, to announce our first Investment Decision in Queensland, a \$96 million loan to James Cook University (JCU). The loan, which is NAIF's largest to date, will fund the development of the Technology Innovation Complex on JCU's Townsville Campus as part of a larger Enterprise Bundle, which has a total project value of \$174 million.

Public benefits of around \$700 million over 30 years are attributable to the Enterprise Bundle as estimated by a cost benefit analysis. The full project is also expected to create around 270 jobs. See the NAIF media release [here](#).

Both Investment Decisions deliver on NAIF's mandate of contributing to the generation of public benefit in northern Australia. They came as a direct result of changes to the NAIF Investment Mandate, which now allows us to loan moneys for up to 100% of a project's debt and under which a broader range of assets are eligible for finance. The proposed financial assistance is subject to the finalisation of the Queensland Government's consideration and agreement for the approved funds to be advanced.

3. Kidston Stage 2 Indicative Term Sheet

NAIF has given Genex Power Limited an indicative term sheet which provides for a secured, long tenor subordinated loan of up to \$516 million. This project is expected to create 500 jobs during construction. A lot of work is still needed to bring the project to fruition, but this is a significant step and aims to assist Genex to advance its discussions with other project counterparties and to prove up the project fundamentals. More details can be found on the next page and read the media release [here](#).

4. Onslow Marine Support Base Financial Close

As NAIF's second Investment Decision was being made, our first was heading towards financial close. The loan documents for the Onslow Marine Support Base (OMSB) were signed by the West Australian government, as the lender of record, on 31 May, 2018. OMSB was then able to start drawing down the loan funds after the project reached financial close on 14 June 2018. With the project now underway the 220 jobs and economic boost of \$100 million that this project will bring, can be realised by the Onslow community.

Regards,

Laurie Walker

CEO, Northern Australia Infrastructure Facility

What's happening in NAIF?

- [This](#) is the story in the Northern Territory News about the HDB Investment Decision. And the 9 News story can be found [here](#)
- The JCU Investment Decision was covered in the Townsville Bulletin [here](#) and the North West Star [here](#).
- The signing of the Onslow Marine Support Base loan documents were covered in the media [here](#). The NAIF media release can also be found [here](#)
- Executive Director Amanda Copping spoke at the Queensland Transport Infrastructure Conference. Her presentation can be found [here](#)
- Executive Director Amanda Copping told the North Queensland Mining and Resources Industry Forum on 7 June, about how NAIF can help finance projects in the sector
- The 23rd NAIF Board meeting was held in Darwin on 14 June
- CEO Laurie Walker spoke at the Developing Northern Australia Conference, held on 18-19 June, in Alice Springs. See her presentation [here](#).
- Director Paul Kalmar spoke at a conference titled "Thinking Beyond Borders – Indigenous Protected Areas & Economic Development" on 19-20 June, in Cairns
- Executive Director Peter Ross spoke at Energy Mines and Money Australia 2018 on 20-21 June, in Brisbane.

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Around the north...



(L-R) Minister for Resources and Northern Australia Matthew Canavan, NT Chief Minister Michael Gunner and Humpty Doo Barramundi's Dan Richards at the announcement of the HDB Investment Decision



An artist's impression of the new Technology Innovation Complex that will be built at James Cook University in Townsville, as a result of NAIF's third Investment Decision, announced on 3 July 2018.

Signature Beef

Acting Chair Khory McCormick spoke at Beef Week on 11 May, alongside Deputy Prime Minister, the Hon Michael McCormack MP and Minister for Northern Australia, Senator, the Hon Matthew Canavan.

He talked about how NAIF can help develop agriculture, particularly through the broadening of the types of assets that are now eligible under our mandate and the ability of NAIF to contribute up to 100% of the project debt. The Acting Chair also shared details about Signature Onfarm (Signature Beef), which is in discussions with NAIF about a loan for the construction and operation of a greenfield on-farm beef processing facility near Clermont in Central Queensland.

The processing facility will include export accredited slaughter and boning facilities, fit out, equipment installation, rendering plant and effluent treatment facilities. It will be utilised to produce high quality, value added beef products completing the integrated supply chain for Signature Beef, currently exporting to 30 countries. This Project will represent an important piece of multi-user supply chain infrastructure for the northern beef industry and will enable specialised packaging, a crucial element for a premium beef product.

NAIF is currently working with Signature Onfarm to progress this project further with a view to making an investment decision.

Kidston Stage 2

The indicative term sheet given to Genex Power is an example of NAIF's desire to assist proponents where it can, early in the assessment and due diligence process.

It provides for a secured, long tenor subordinated loan of up to \$516 million, provided a number of conditions are met, including:

- negotiating offtake arrangements and grid connections;
- concluding a cost benefit analysis;
- finalising terms for senior debt funding;
- securing the balance of equity;
- due diligence and final NAIF approval

NAIF sees this project as important for the transition of the market to lower emissions renewable energy sources. The Board's preparedness to consider a capital commitment of this size reflects the alignment of this type of project with NAIF's objective to contribute to the transformation of northern Australia through infrastructure development.

This type of assistance can be considered for other projects, depending on their own unique circumstances and project situation. Each project will need to be considered on its merits.

The progress we have made with Genex has been made possible by the changes to the NAIF Investment Mandate. The NAIF loan would be significantly more than 50% of the debt for the project, which wasn't permitted prior to the changes.

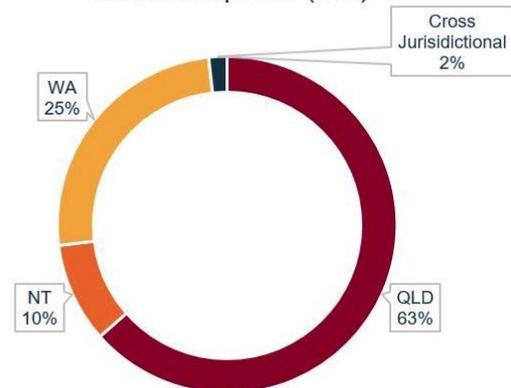
We look forward to ongoing discussions with Genex Power and seeing it progress, if feasible, to an Investment Decision.

NAIF Pipeline – July 2018

Projects in Due Diligence

Northern Territory		Queensland		Western Australia
3		7		6
Sectors				
Renewables and Energy	Transport	Manufacturing	Resources	Tourism and Social
4	6	2	3	1

Active Enquiries (115)



Get in touch:

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