

ONTERRAN LIMITED (ASX: OTR)**ASX ANNOUNCEMENT****ONTERRAN CONDITIONALLY SECURES \$70m DEVELOPMENT PARTNERING**

Onterran Limited (ASX:OTR) is pleased to announce its conditional appointment as development partner for a substantial long term development of the Couran Cove Resort on Stradbroke Island, Queensland.

The transaction structure brings to Onterran the benefits of owning a significant approved development land-bank without the up-front capital cost of actually acquiring the land.

The first of its type for Onterran's new strategy of property development in its own right, in addition to being a building contractor for other parties, lays the foundations of sustained longer term profitability for the Group.

Completion is expected to be in 4 to 6 weeks with a number of material conditions precedent to be fulfilled in that time.

Transaction Highlights

- Pre-existing approval to build approximately 220 houses and apartments with work potentially starting before June 30 2016;
- Onterran to design, construct, market and sell the houses and apartments;
- Revenues expected over the life of stage 1 of the project are \$70,000,000;
- Onterran will pay for the land at contractually agreed pre-determined prices only upon settlement of an actual sale of an individual lot;
- Onterran to take a 20 percent stake in the land owning company, which upon completion of the transaction would own over 100 existing apartments, the development business and significant further development land. It is intended that approvals be sought to build and sell further apartments and houses over the long-term on this site.

This project, will give Onterran access to its first pipeline of development land where it is primarily in control of the development, construction and pricing of final product. Higher margin work will be achieved rather than being solely a building contractor relying on the performance of outside parties.

Further detail of this project will be provided shortly. Completing the transaction will require a capital raise to fund the purchase of 20 percent of the overall project and to fund initial construction works.

Details of this capital raising are being completed currently

For further information, contact

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