

PRESS RELEASE - 19 August 2019

Smith Agri International are thrilled to formally release the results of the Indian Sandalwood (*Santalum album*) Request for Tender on behalf of Huntley Management in their capacity as Responsible Entity for the TFS 2003 Project Growers.

Smith Agri International was appointed to conduct a highly transparent global Request for Tender underpinning the high quality of the *Santalum album* resource that is renowned for its high-quality oils that exist within the heartwood of this sustainability grown plantation resource. The Kununurra, Western Australia based sandalwood plantation estate managed by Quintis Forestry represents the world's largest sustainability grown plantation Indian Sandalwood estate, a fact that drew extensive buyer interest from the active global sandalwood supply-chain (i.e. traders, processors, distributors and end users). Bids were prevalent from international and domestic parties with offers placed across all 6 individual Lots, those Lots made up of Pooled Logs, Forest Shavings and separately Pooled Butts.

Given our 30 years of commercial forestry experience and in particular, our extensive supply-chain logistical expertise, we were able to ensure all parties irrespective of their global location or proposed end use, had the same opportunity as Australian based industry to confidently bid knowing they were bidding on an 'apples for apples' basis. All bidders were provided the opportunity of assistance for transport and export logistics via Darwin or Perth ports which was a major factor underpinning strong international interest.

Irrespective of our full-service offering, competitive tension was clearly delivered through the open Request for Tender process and we are pleased to confirm that the successful bidder was Alpha Santanol, a fully owned and operated subsidiary of Mercer International. Their sophisticated bid addressed all available Lots and featured a premium price for the entire offering, and whilst this tender saw Australian based Alpha Santanol prevail, we are confident our transparent sale process and result will further encourage even greater participation from international markets in future tenders.

Smith Agri International looks forward to future releases of tenders globally for this highly valuable and highly sought-after resource, wherein we can further build upon the exceptional engagement delivered throughout the global sandalwood supply-chain for this recent tender. We have already started re-engaging with underbidders towards the next Request for Tender which is expected for public release later this year to correspond with the harvest of the TFS 2003 Project.

Smith Agri International Pty Ltd is a specialist Agribusiness Transactions & Advisory team, licenced throughout Australia as a professional real estate organisation specialising in the Agricultural / Horticultural / Timberland sectors on behalf of sophisticated institutional, asset management, industry, family offices and high-net-worth individuals.

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