

# Project Petro

A rare opportunity to acquire a majority interest in a joint venture with experienced farmers to run the established farming property in NSW.

**Industry:** Agribusiness

**Deal size:** \$10M - \$75M

## Overview

- This is a rare opportunity as the current owner has held the Petro Farm for 73 years, and just decided to sell.
- The experienced farmers are seeking a JV style investor for a sale and lease back transaction with a buy back clause over a 5-10 year period in the future.

## Business Model

- The Petro Farm has been producing income at a consistent level over many years.
- The 2017 crop is worth ~\$2.25m, as the crop is higher protein cereal wheat, with higher production (average 8 bags an acre, while average in the area is 6 bags).
- The crop can be sold under open market, futures contract or to GrainCorp depending on best offer.
- The farmers have the capacity and willingness to operate the farm post the transaction, and will introduce peas and chick peas as part of future sales contracts.
- The development of the 200 ha cropping license and additional 1,200 sheep are likely to require minimal capital, with time and fuel being the key additional operating requirements.

- The farmers welcome a JV partner who can secure significant offtake or export of the products.

## Key Attributes

|                         |                                                                                                                                                                |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Site Area               | 26,685 hectares (ha)                                                                                                                                           |
| Distance to Mildura VIC | 60km north/north east                                                                                                                                          |
| Cropping Area           | 9,000 ha sandy loam soil type                                                                                                                                  |
| Grazing Land            | 17,500 ha, 800 sheep, 90% fenced                                                                                                                               |
| Average Rainfall        | 302.5 mm pa                                                                                                                                                    |
| Further Development     | 200 ha cropping license undeveloped<br>1,200 additional sheep                                                                                                  |
| Water                   | 21 megalitre entitlement and 7 dams                                                                                                                            |
| Plant & Equipment P&E   | Extensive, multiple state                                                                                                                                      |
| Homes Onsite            | Two modern 4 bedroom houses, a 2 bedroom and a 1 bedroom home                                                                                                  |
| Valuation               | \$12m, consisting of <ul style="list-style-type: none"> <li>• \$10m for land</li> <li>• \$1.5m for P&amp;E</li> <li>• \$0.5m for crop, sheep/houses</li> </ul> |

**John Blight**  
Partner, Corporate Finance

**T** +61 3 8635 1882

**M** +61 413 480 732

**E** jblight@shinewing.com.au

**Cissy Ma**  
Associate Director, Corporate Finance

**T** +61 7 3085 0806

**M** +61 417 724 784

**E** cma@shinewing.com.au