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Further Investment in Grain Rail Haulage and Infrastructure

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Qube Holdings announced today that it has entered into a joint venture with Noble Group to develop a multi-user grain handling facility at Port Kembla, New South Wales. The joint venture will trade as Quattro Grain. The proposed new facility will have the capacity to handle in excess of 1.3 million tonnes of export grain per annum.

To establish the proposed joint venture, Noble will commit to use the facility and acquire rail services from Qube Logistics for the transport of grain to the new facility, in each case, on a “take or pay” basis.

To further support the establishment of the proposed joint venture and new facility, Qube and Noble have granted call options to each of two other major grain marketing businesses, Emerald and Cargill. If these options are exercised in full, Qube’s and Noble’s interest in Quattro Grain will be reduced to 30% each. Both Emerald and Cargill own existing regional grain storage sites that will service the facility, and have made similar commitments to use the facility and to acquire rail services under “take or pay” arrangements.

The proposed new facility will have capacity to provide services to other grain customers on an open-access basis.

All of the above arrangements are conditional on receiving any necessary authorisations and approvals.

The investment from Qube into the facility and rail equipment is expected to be up to \$50 million.

The new facility is expected to be operational in early FY 2016. The rail haulage agreements to transport grain to the new facility will significantly build upon the rail agreements with Noble, Emerald and Cargill which commenced operation earlier this year.

NSW Ports will extend and deepen the berth at Port Kembla to accommodate Panamax vessels.

The transaction provides Qube with significant growth opportunities and further diversification of its earnings.

The investment is expected to generate attractive financial returns with significant risk mitigation through take-or-pay agreements with quality counterparties, and is expected to be earnings accretive from FY 16 once operations commence.

Maurice James, the Managing Director of Qube, said “The investment is consistent with Qube’s strategy to invest in port infrastructure that aligns with Qube’s operations.

“This is a significant strategic project which we believe will alter the dynamics of the tightly controlled grain handling market. The joint venture looks forward to supporting grain producers by providing high levels of service and modern infrastructure to customers seeking to export grain from Port Kembla.”

About Noble

Noble Resources Australia Pty Ltd is a member of Noble Group (“Noble”, SGX: N21) and its Grains & Oilseeds Division. Noble manages the global supply chain of agricultural and energy products, metals and minerals and operates from over 140 locations, employing more than 70 nationalities.

Noble manages a diversified portfolio of essential raw materials, integrating the sourcing, marketing, processing, financing and transportation of those materials. Noble owns and manages a portfolio of strategic assets, sourcing from low cost producers such as Brazil, Argentina, Australia and Indonesia and supplying to high growth demand markets including China, India and the Middle East.

Today, Noble has interests in grain crushing facilities, coal and iron ore mines, fuel terminals and storage facilities, sugar and ethanol plants, ports, vessels and other key infrastructure facilities. The Grains & Oilseeds operation of Noble Resources Australia markets Australian grains through Noble’s global network.

About Cargill Australia

Cargill established a presence in Australia in 1967 and has continued to invest in Australian agribusiness ever since. Its main business operations include grain, cotton and oilseed origination, storage and handling; oilseed and malt processing and vegetable oil refining; marketing of agricultural commodities in both the domestic market and for export; procuring food and feed items primarily for the Japanese and South East Asian markets through our Toshoku business; and a number of agribusiness, food and beef joint ventures.

In 2011 Cargill Australia acquired the AWB commodities including the GrainFlow storage and handling business from Agrium. AWB is Cargill Australia’s grain origination business, with a network of 30 grain marketers in 16 locations located throughout the Australian grain belt.

Cargill Australia’s wholly owned storage and handling business, GrainFlow, has 22 receival sites located throughout the eastern states.

About Emerald Grain

Emerald Grain commenced operations in 2004 and is now the fifth largest and fastest growing grain marketing business in Australia as well as the third largest storage and handling network in eastern Australia.

Emerald Grain’s focus is to enhance financial returns to growers through innovative products and supply chain solutions. With a continually expanding national accumulation and storage

footprint in Australia's key grain growing regions, Emerald Grain is evolving to be a globally competitive grain marketing and logistics company.

In February 2014 Emerald Grain became wholly owned by Sumitomo Corporation. With offices in 66 countries, Sumitomo gives Emerald Grain and its customers unrivalled access to a range of grain consumers throughout the world, particularly into rapidly growing markets in East and South Asia.

The unique Emerald grain accumulation network is about local partnerships and working with growers. In southern New South Wales and Victoria, Emerald trades under commercial joint venture partnerships with grower organisations, including Southern Quality Produce Co-operative, trading as SQP Grain in Victoria; and Southern Agventure Limited, trading as Southern Ag Grain in Southern New South Wales. Emerald operates in its own name in Western Australia; in Queensland and Northern New South Wales it operates as Philp Brodie Grain; in eastern South Australia as Sturt Grain and in the Eyre Peninsula region of South Australia as EP Grain. Key to Emerald's strategic vision is its storage and handling network in South Eastern Australia comprising 15 storage sites and the grain shipping facilities at the Port of Melbourne.

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