


# NEWS RELEASE

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## TELLUS SIGNS “TAKE OR PAY” SALT DISTRIBUTION AGREEMENT WITH INDONESIAN BUYER

-  Tellus signs first salt offtake and distribution agreement with PT Damarco of Indonesia
-  The terms are for 500,000 tonnes per annum of industrial salt

Tellus Holdings Ltd (“Tellus”) is pleased to announce that it has signed a major “take or pay” salt offtake and distribution agreement with Indonesian company PT Damarco Internasional (“PT Damarco”) for the purchase of industrial salt from the Chandler Project for the use in heavy industry.

The key terms and conditions of the salt offtake and distribution agreement include:

- (a) selling exclusively 500,000 tonnes per annum from first production of industrial salt to PT Damarco, which represents up to 70% of average annual future industrial salt production from the Chandler Project;
- (b) “Take or Pay” arrangements with a built in price review linked to CPI; and
- (c) price to be paid ex works, in other words at the mine gate.



*Fig. 1: Signing ceremony with PT Damarco witnessed by Indonesian Government officials from the Indonesian Investment Co-ordinating Board*

PT Damarco is a South-East Asia focused trading company which has close working relationships with the Indonesian Government and other key industrial salt buyers. PT Damarco is authorised to operate an import and export businesses, and is one of a restricted list of companies in Indonesia, with the right to import salt.

Managing Director of Tellus Mr Duncan van der Merwe commented: “We are delighted to sign this important agreement with our partners in Indonesia and we look forward to working very closely with them for the long-term. Tellus’ unique sustainable dual revenue Chandler project has JORC resources in excess of 500 years of annual production targets, which will support Tellus’ objective to be one of Asia’s most reliable and long-term suppliers of high quality halite (industrial and edible salt) throughout commodity cycles.”



### **About Tellus Holdings:**

*Tellus Holdings Ltd is an infrastructure project development company with a proposed dual revenue infrastructure business model. This involves mining the commodities salt and kaolin and backfilling the voids left from mining with equipment, archives or long-term storage of waste. Tellus plans to store like-with-like materials, so as to create opportunities for the future long-term, storage, treatment and recovery of valuable materials or the permanent isolation of waste. Tellus' business model mirrors world's best practice solutions operating in the UK, Europe, USA and Canada. Tellus is developing the Chandler project in the Northern Territory (NT) and the Sandy Ridge project in Western Australia (WA). Tellus' flagship 'Chandler Project' has been awarded Major Project Status by the Northern Territory Government.*

### **For further information:**

Visit: [www.tellusholdings.com.au](http://www.tellusholdings.com.au) or contact:

Duncan van der Merwe                      Managing Director                      Tel: +61 (0)2 8257 3395

*Corporate and Chandler Project:*

Jane Munday                                  Michels Warren Munday (Media)                      Mob: +61 (0)427 880 083

*Sandy Ridge Project:*

Cameron Morse                              FTI Consulting (Media)                      Tel: +61 (0)8 9485 8888