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NAMOI COTTON LIMITED (ASX: NAM)  
KIMBERLEY COTTON COMPANY – UPDATE

Namoi Cotton Limited ('Namoi Cotton') is pleased to advise, the Board of Kimberley Cotton Company Limited ('KCC') has approved the commencement of construction of the cotton gin at Kununurra, Western Australia. The planned commissioning and operation of the gin is in the second half of 2025.

Namoi Cotton holds a 20% shareholding interest in KCC, a position on the KCC Board and is contracted by KCC to build and operate the cotton gin<sup>1</sup>.

KCC has been established by local growers to construct and manage the cotton gin. This project is supported by \$34 million in non-recourse debt from the Northern Australia Infrastructure Facility, \$9 million in direct and indirect grants from the West Australian Government, and cotton supply agreements with growers.

The new cotton gin will have the capacity to service the forecast production of 100,000 – 150,000 cotton bales in the Ord River irrigation area.

KCC has obtained development approvals and selected preferred contractors for approximately 65% of the budgeted ~\$60 million construction cost, which includes an additional \$6 million in construction cost for a variation in scope to meet local air and noise requirements.

To fund construction of the cotton gin, KCC is raising an additional \$7 million in equity comprising convertible notes and shares. The Board of KCC is confident it can raise this additional equity from existing and if required, new shareholders. The timing for the call of these additional funds is expected in first half of 2024.

Namoi Cotton intends to contribute \$1.4 million to this additional capital raising to maintain our 20% interest in KCC and Board representation, increasing our investment in KCC to \$4.2 million. Namoi Cotton's total investment in KCC and cotton gin project is expected to be approximately \$7 million, in line with our forecast total investment in equity and provision of other services as previously announced to the market<sup>2</sup>.

Namoi Cotton's support and participation in this important project is in line with the Company's 4PP Strategy to grow and diversify our cotton ginning footprint into northern Australia.

This announcement was approved and authorised for release by the Board.

For further information, please contact:  
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<sup>1</sup> See ASX release on 13 September 2022 titled 'Namoi Cotton enters agreement with Kimberly Cotton Company'.

<sup>2</sup> See ASX release on 21 September 2022 titled 'Namoi Cotton announces underwritten renounceable entitlement (rights) offer to raise \$14.1 million'.