



ASX ANNOUNCEMENT

14 February 2022

FURTHER DEBT REDUCTIONS TO THE EUROCLEAR BOND

- **Cash generation remains strong**
- **Payments in February 2022 to be US\$20 million**

TerraCom Limited (ASX: TER) (**TerraCom** or **Company**) is pleased to provide shareholders with the following update regarding further reductions to the Euroclear Bond facility.

The principal owing on the Euroclear Bond as at 31 January was US\$121.3 million.

The Company's cash generation has been strong, and a further US\$5 million has already been paid to bondholders in February 2022. Since 1 July 2021, the Company has now paid a total of US\$64.4 million in interest (including special interest), fees and principal.

Based on forecast, the Company will pay an additional US\$15 million during February 2022. This will bring the total principal owing on the Euroclear Bond down to approximately US\$102.6 million as at 28 February 2022.

Going forward, the Company expects to pay approximately US\$15 million per month to bondholders from cash generated from the Company's Blair Athol operation. Any dividends received from the South African operations will be in addition to this expected amount.

Commenting, Executive Chairman, Craig Ransley said:

"Debt reduction continues to be a key focus and the Company is committed to channelling all free cash flow to reduce the Euroclear Bond as quickly as possible. Based on steady state operation, it is forecast that the Euroclear Bond will be fully repaid in the September 2022 Quarter, noting that other initiatives currently underway may rapidly accelerate this timeframe which will allow the Company to focus on its primary objective of returning dividends to shareholders."

Strong demand in the export coal market has resulted in pricing remaining attractive and based on economic outlook, we expect this to remain for the near future."

This announcement has been approved by the Board for release.

Craig Ransley
Executive Chairman
P +61 7 4983 2038
E info@terracomresources.com

**About TerraCom Limited**

TerraCom Limited (ASX: TER) is an emerging company originating as a resource explorer with a large portfolio of operating assets in Australia and South Africa. We are currently enacting a growth strategy towards delivering a Mid-Tier diversified operating and trading business and have global focus on the development of a high yielding diversified asset portfolio for its investors. To learn more about TerraCom visit terracomresources.com.