ASX RELEASE

21 December 2017

ASX Market Announcements 20 Bridge Street SYDNEY NSW 2000

Dear Sir / Madam

Watpac awarded contract for Mid North Coast Correctional Centre expansion

In accordance with listing rule 3.1, Watpac Limited ('Watpac' or 'Group') wishes to advise it has been awarded a \$126 million contract to deliver a 440-bed expansion to the Mid North Coast Correctional Centre (MNCCC) near Kempsey for Justice Infrastructure, within the Department of Justice.

Watpac will be responsible for the design and construction of a new medium security male facility that will provide increased inmate capacity to meet current and future demands at the existing MNCCC.

The new facility will include the construction of four accommodation blocks each with 110 beds and an exercise yard, an industries and programs building, clinic, associated custodial offices, a network of secure walkways, outdoor recreational areas including sports fields, and a new secure perimeter that will have an integrated security system.

A press release is attached.

Yours sincerely, WATPAC LIMITED

Mark Baker
COMPANY SECRETARY



PRESS **RELEASE**

21 December 2017

Watpac to deliver Mid North Coast Correctional Centre expansion

Watpac Limited ('Watpac' or 'Group') today announced it has been awarded a \$126 million contract to deliver a 440-bed expansion to the Mid North Coast Correctional Centre (MNCCC) near Kempsey for Justice Infrastructure, within the Department of Justice.

Watpac will be responsible for the design and construction of a new medium security male facility that will provide increased inmate capacity to meet current and future demands at the existing MNCCC.

The new facility will include the construction of four accommodation blocks each with 110 beds and an exercise yard, an industries and programs building, clinic, associated custodial offices, a network of secure walkways, outdoor recreational areas including sports fields, and a new secure perimeter that will have an integrated security system.

Watpac Limited Managing Director Martin Monro said the Group was delighted to be delivering this project on behalf of Justice Infrastructure.

"The award of this contract acknowledges our capacity to deliver complex projects in secure environments," Mr Monro said.

"This project is an opportunity to not only draw on our construction expertise but utilise Watpac's local relationships in the region to deliver this important piece of infrastructure for the New South Wales Government."

Having delivered various key projects in the region over the last five years, Watpac Construction Port Macquarie Branch Manager Amos Frankel said the local team was looking forward to delivering this latest project.

"Watpac has become a prominent construction contractor on the New South Wales Mid North Coast and we are excited to be expanding our workbook in this region by building this secure facility for Justice Infrastructure," Mr Frankel said.

"We're very aware of the scale and significance of this project to the region and our priority is to create opportunities for local trades and suppliers to be a part of the construction journey.

"With design activities to commence in January 2018, and site works to kick off in February, the project is anticipated to be completed by December 2019."

The new medium-security facility will operate in conjunction with the existing minimum and maximum security compound at MNCCC where the scope of works will include refurbishment activities. These will include modifications to parts of the current facilities including the gatehouse, visitors building and security services as well as associated earthworks, services, roads, paving, carparks, landscaping and fencing.

The Group is currently building the \$25 million Cascades Retirement Living Development in Port Macquarie, adding to their extensive portfolio of local projects that have included the \$69 million Port Macquarie Base Hospital expansion,



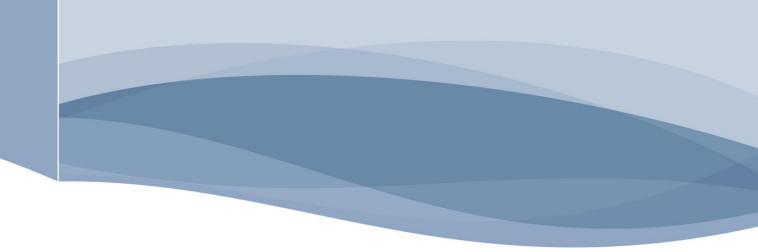
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the \$48 million Kempsey District Hospital redevelopment, the \$44 million Charles Sturt University Campus and \$14 million University of New South Wales Joint Health Education Facility.

This project complements Watpac's national secure facilities portfolio which includes various current and completed projects for the Department of Defence at multiple locations throughout Australia, as well as upgrades at major airports in Brisbane, Adelaide and Darwin. Watpac also recently completed a \$55 million large scale secure facility for the Reserve Bank of Australia.

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For further information: Media – Amanda Campbell, Corporate Affairs Manager on 07 3251 6453.

Investor Relations – Mark Baker, Chief Financial Officer on 07 3251 6442.

Note to editors: Watpac is a leading national construction and mining contracting group with operations in all mainland States and Territories. We have been listed on the Australian Securities Exchange since 1985 and have offices in Brisbane, Sydney, Melbourne, Adelaide, Perth, Townsville and Port Macquarie. More information is available at www.watpac.com.au.

