

ASX RELEASE

30 October 2018

ASX Market Announcements
20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam

Shareholder Letter – BESIX Group SA Takeover Offer

In accordance with Listing Rule 3.17, please find attached a copy of a letter despatched today to shareholders in relation to the BESIX Group SA takeover offer announced on 29 October 2018.

Yours sincerely,
WATPAC LIMITED



Mark Baker
COMPANY SECRETARY

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Dear fellow Watpac Shareholder

I am pleased to inform you that Watpac and BESIX Group SA (**BESIX**) have entered into a bid implementation agreement pursuant to which BESIX has agreed to make an unconditional off-market takeover bid to acquire all of your Watpac shares for \$0.92 in cash per share.

Watpac formed an Independent Board Committee (**IBC**) made up of the directors other than the BESIX representatives and the Managing Director. The IBC has considered the Offer from BESIX and unanimously recommends Watpac Shareholders accept it, in the absence of a superior proposal.

Each member of the IBC intends to accept the Offer for all of the Watpac shares that they hold.

An unconditional cash Offer of \$0.92 per share is an attractive and certain return for Watpac Shareholders. The Independent Expert's Report has also concluded the Offer is fair and reasonable to Watpac Shareholders. The Offer Price is at the upper end of the valuation range of \$0.81 to \$0.95 per share determined by the Independent Expert on a change of control for Watpac.

BESIX's unconditional Offer for all of your Watpac shares also provides you with greater flexibility than the previous Scheme proposal to acquire 50% of your Watpac shares. Watpac Shareholders can accept the Offer for all of their shares and receive a certain cash consideration, sell some or all of their shares on ASX, or do nothing in response to the Offer.

After the Offer, BESIX has indicated that Watpac would continue to operate as a standalone business, retaining the brand name, heritage and solid corporate governance. Increased ownership will enable BESIX to provide Watpac with the benefits of its international engineering capabilities, technical expertise, and financial and operations resources.

This is an exciting opportunity for Watpac, providing a phase of growth that builds on BESIX's extensive international contracting experience and expertise. BESIX values the quality of Watpac's people, and increased ownership will provide employees of both companies with a range of new opportunities.

In the coming days, Watpac shareholders will also receive copies of a Bidder's Statement from BESIX and the Target's Statement from Watpac, to provide detailed explanations of the Offer.

The Offer is open until 6:00 pm (Brisbane time) on 3 December 2018 unless extended.

If you have any enquiries in relation to the Offer or your shareholding in Watpac, please do not hesitate to call the Shareholder Information Line on 1300 217 429 (toll-free within Australia) or +61 2 8022 7919 (from outside Australia), Monday to Friday between 8.30am and 5.00pm (Brisbane time).

On behalf of the IBC, I encourage you to **ACCEPT** the Offer, in the absence of a superior proposal.

The Board will update you on any relevant developments in relation to the Offer. We thank you for your continued support of Watpac.

Yours sincerely



Peter Watson