

Media/ASX and NZX Release

28 May 2019

MURRA WARRA WIND FARM UPDATE

In December 2017, Downer EDI Limited (Downer) and its partner Senvion GmbH (Senvion), a leading global manufacturer of wind turbines based in Germany, entered into a contract for Stage One of the Murra Warra Wind Farm near Horsham in Western Victoria.

Stage One of the Murra Warra Wind Farm involves electrical, procurement and construction work, including the installation of 61 wind turbines. Under the contract, Senvion is responsible for the manufacture, transport, erection and commissioning of the turbines while Downer is responsible for balance of plant works. Stage One is valued at approximately \$380 million, with Downer's share approximately \$100 million.

While the delivery scope of Stage One of the Murra Warra Wind Farm is split between Downer and Senvion they share any liability under the project contract jointly and severally. Downer holds a substantial bank guarantee from Senvion.

On 9 April 2019 Senvion filed self-administration proceedings in Germany. On 17 April 2019 Senvion announced that its lenders and main bond holders had signed a binding loan agreement for a EUR100 million debtor-in-possession ("DIP") facility. Senvion stated: "The facility enables Senvion to continue its business operations following last week's self-administration filing. The DIP facility has received Board approvals and allows substantial drawings already this week, thus enabling the company to stabilise its business operations and provide funds to its non-insolvent subsidiaries."

Senvion has also stated publicly: "Senvion Australia is working closely with wind farm owners and contractors to ensure that we can continue to safely deliver and operate wind farms in Australia."

Construction and delivery of Stage One of the Murra Warra Wind Farm is at an advanced stage:

- approximately 95% of Downer's balance of plant work has been completed on schedule and on budget;
- 26 of the 61 wind turbine generators have been erected;
- all remaining towers and blades are either at the manufacturer's premises, port or at the Murra Warra site; and
- three of 61 nacelles are in the process of being manufactured, a further three have been completed and are at the manufacturer's facility and the remainder are either in Australia or in transit to Australia.

Work is continuing to progress on site and Downer has initiated discussions with Senvion's court appointed Custodian and other key stakeholders, including Partners Group (the owner of the wind farm), to establish a process for securing delivery of outstanding equipment and completing Stage One.

As these discussions continue, along with the self-administration process, Downer will be assessing whether there is any potential financial impact on Downer and consequently any impact on its guidance for the 2019 financial year. Downer will keep the market updated.

For further information please contact:

Michael Sharp, Group Head of Corporate Affairs and Investor Relations

+61 439 470 145

About Downer

Downer is the leading provider of integrated services in Australia and New Zealand and customers are at the heart of everything it does. It exists to create and sustain the modern environment and its promise is to work closely with its customers to help them succeed, using world-leading insights and solutions to design, build and sustain assets, infrastructure and facilities. Downer employs more than 53,000 people across more than 300 sites, primarily in Australia and New Zealand, but also in the Asia-Pacific region, South America and Southern Africa. It also owns 88 per cent of Spotless Group Holdings Limited. For more information visit downergroup.com