FY16 AGM Presentation

November 2016

Neville McAlary – Managing Director and CEO

Agenda

1. FY2016 Recap
2. FY2017 Outlook
3. Strategic Outlook
4. Questions

1. FY2016 Recap

FY2016 Highlights

Maintained top quartile safety performance	➢ Organisation continued to embed safety as a value in all aspects of planning and work ➢ Total recordable injury frequency rate 12.4 (per Mill hrs) ➢ Focus on Safety Leadership and Hazard Identification ➢ Operations and Equipment compliant with legislative requirements
Improved financials	➢ Delivered predicted underlying profit in a trying period for the sector
Sector faced continued pricing impacts. Clients searched for cost reductions and scope	➢ Revenue $70.4m (+4%) ➢ Underlying NPAT $1.6m (+87%) ➢ Underlying EBITDA $4m (+17%) ➢ Underlying EBITDA margin 5.7% (+12%) ➢ Cash on Hand $3m (Maintained) ➢ Value of NTA per security increased to $0.37 (+7%)
Net Debt maintained at low level	➢ Equipment Debt reduced to NIL ➢ Net Debt* $2.4m** (Maintained) ➢ Low Debt has been fundamental in DSB delivering projected positive results

FY2016 Highlights (continued)

DeltaSBD
safer better dependable

Work Booked increased Maintained Client Base	➢ Identified growth opportunities in Qld Bowen Basin ➢ Negotiating whole of mine and coal supply agreement with new client
Supply Mining Solutions	➢ New client proposals – presented contract mining options ➢ Unique equipment fleet supports current contract works and provides gateway to new works
Staffing changes	➢ Integrating new people into the team with new networks and skills – forward looking with a value add approach
Declaration of full year dividend	➢ Provided positive return on investment and positioned to improve on this position ➢ Directors declared a final dividend of 0.8 cents per share on the back of the FY 16 results ➢ Revised and new targeted dividend payment plan – payout ratio of 60% of underlying NPAT ➢ Increase market awareness of DSB ➢ Report against value creation plan ➢ Observe market trends and take-on-board market indications

*Note: All comparisons are YOY   * Interest bearing debt only less cash and cash equivalents .   **Includes $4.0m associated with an invoice facility*

FY2016 Financial Recap

- Key Statistics improved or in balance with prior year

	Change		FY2016	FY2015
NPAT	50%	↑	$1.2m	$0.8m
Underlying NPAT	78%	↑	$1.6m	$0.9m
Revenue	4%	↑	$70.4m	$67.5m
EBITDA	(12%)	↓	$3.0m	$3.4m
Underlying EBITDA	14%	↑	$4.0m	$3.5m
Underlying EBITDA margin	12%	↑	5.7%	5.1%
Underlying earnings per share	85%	↑	3.40c	1.84c
Cash on hand	(3%)	↓	$3.0m	$3.1m
Net Debt*	0%	↔	$2.4m**	$2.4m**
Equipment Debt	(100%)	↓	$nil	$0.9m
Net Tangible Assets per security	9%	↑	37c	34c

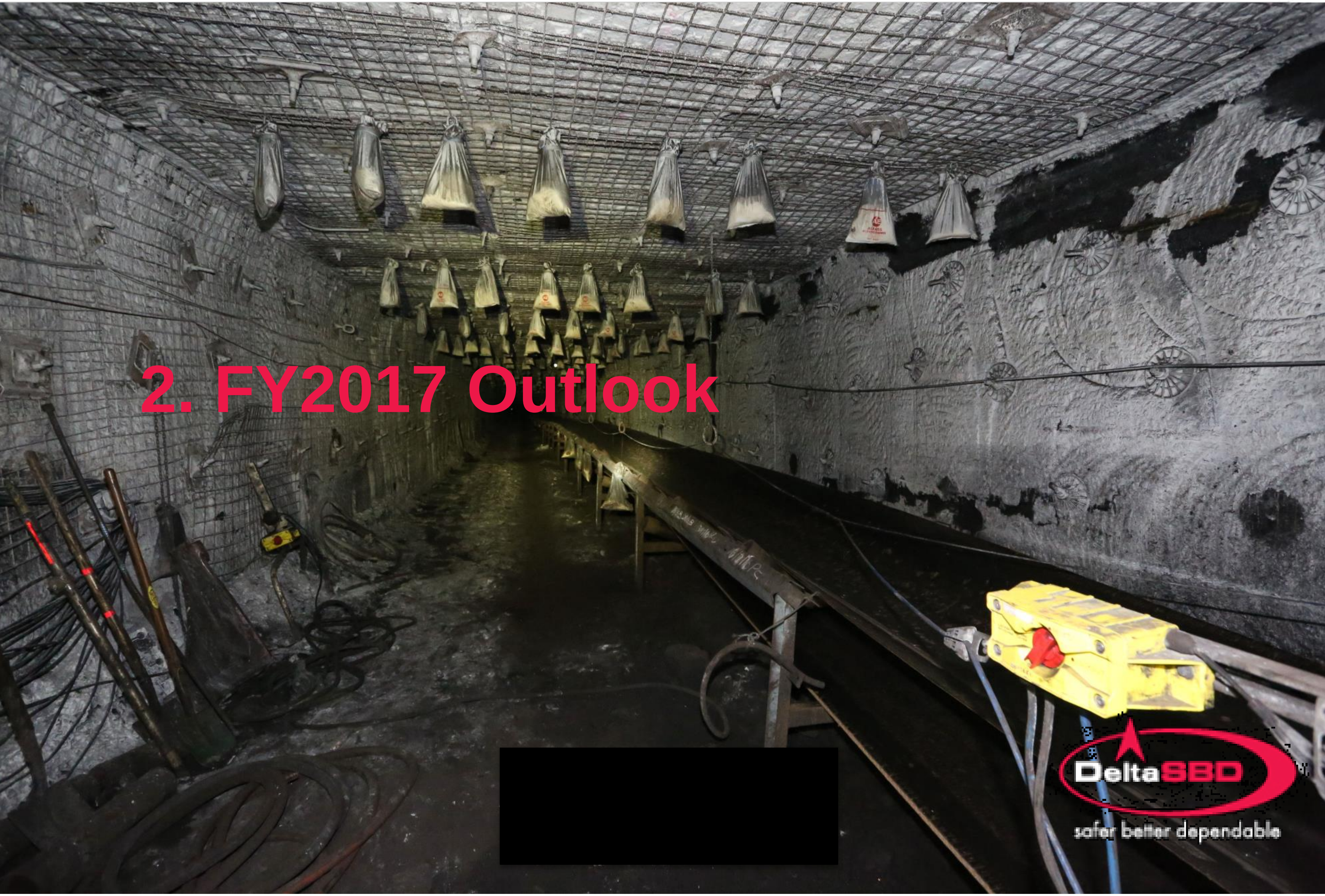
** Interest bearing debt only less cash and cash equivalents . **Includes $4.0m associated with an invoice facility*

Balance Sheet & Cashflow

Balance Sheet	FY16	FY15
Cash ($m)	3.02	3.11
Total Assets ($m) (excluding intangible assets)	33.79	31.84
Total Shareholder funds ($m) (excluding intangible assets)	18.28	17.15
Net Debt ($m)	2.4*	2.4*
Net Debt to Equity	13%	14%
Cashflow	**FY16**	**FY15**
Operating activities ($m)	1.55	1.45
Investing activities ($m)	-1.64	9.65
Financing activities ($m)	0	-9.54
Net (decrease)/increase in cash ($m)	-0.1	1.55
Cash at beginning of year ($m)	3.12	1.56
Closing cash ($m)	3.02	3.12

** Interest being debt and includes $4.0m associated with an invoice facility*

2. FY2017 Outlook



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Client Relationships

DSB maintains a competitive edge:

- Experienced at all levels of mine management and mining operations. *Increasing formal contract control skills.*
- Work with clients to understand the desired outcomes and provides a total enterprise approach - delivered by skilled project teams.
  - Continue to up-skill DSB Team on Contract Administration
- Focused on offering greater value to mine owners through cost benefits and solutions based service that underpins repeat work
- Right sized fleet of equipment for current works
  - Ability to access additional fleet via supplier relationships
- Positions well to seize strategic growth opportunities.
  - Focus on additional asset requirements being paid back across term of project for which they are costed against

Snapshot of current workbook

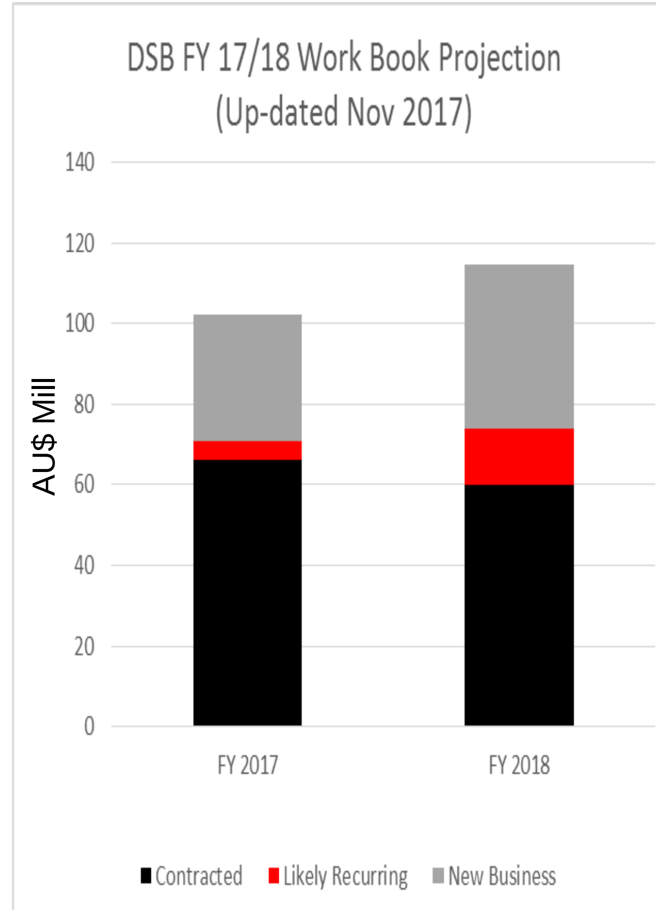
Client & Project	Key Work
Wollongong Coal Wongawilli Mine	• Whole Mine Operation and Supply Agreement • 1.45 Mt Coking Coal delivered over 21 month period • Exported via local coal port/terminal • High potential to increase access to additional reserves
South 32 Appin Mine	• Roadway development • Secondary support and out-bye services • Supply of supplementary Labour to Gas Drainage and Dev. • Project works for conveyor belt installations and civils
Glencore Integra Mine	• Operational Readiness Work Group • Including Surface Control and UG Experienced Miners
Peabody Metropolitan Mine	• Secondary support and mine services • Backfill Plant Project works and supplementary Labour • Conveyor belt standards and Maintenance Works +
Whitehaven Narrabri Mine	• Development assistance at Whitehaven's Narrabri mine • Longwall maintenance and relocation support services
Boral Berrima Mine	• Ongoing care and maintenance activities continued at Boral's, Berrima Mine

Pipeline

- Activity in the major tender/submission pipeline continued to increase in Q2 FY 2017
  - Focusing on those that align to DSB Strategy
  - New business enquiries increasing

- Focused on delivering and retaining current contracts – Appin contracts will retain w/force numbers
- Engaging with Coal Mine operators to develop low cost coal production options
- DSB envisage the potential of business development opportunity between $50 million and $150 million in potential revenue outcomes in the next 2-3 years.

- A number of these opportunities are directly aligned to DSB ability, experience and production equipment.
  - Supporting DSB to make a unique offering that will result in a moderate to high potential of procuring these projects.

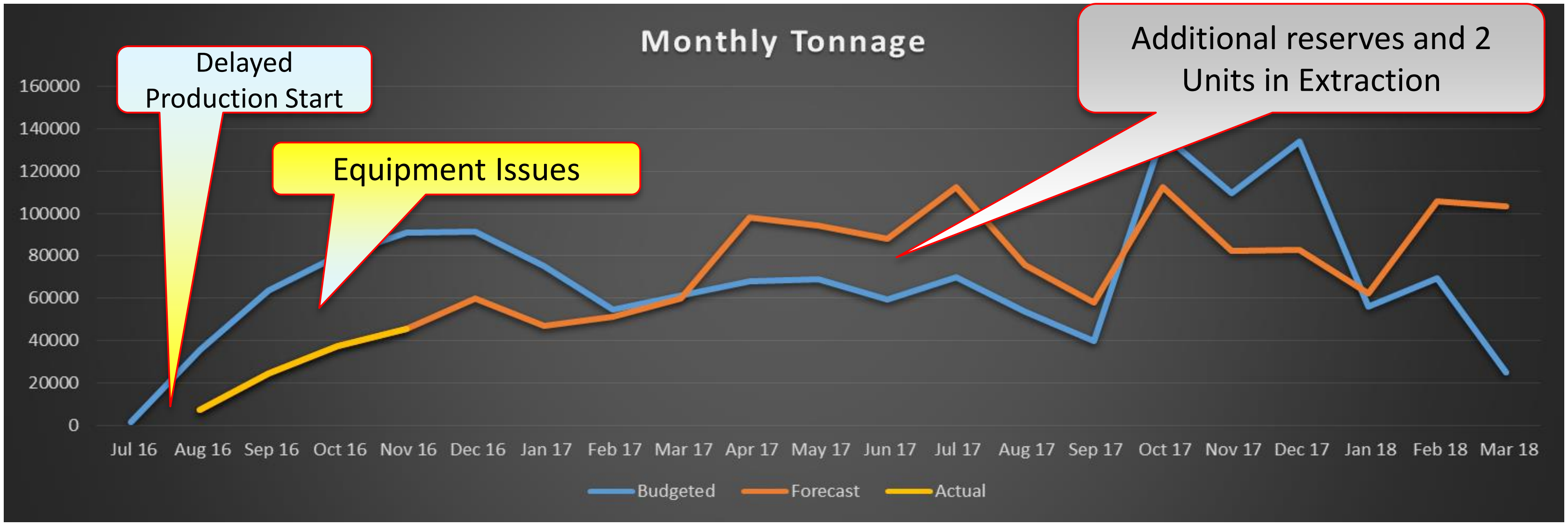


Major Challenges

- Production at Wongawilli below target due to late start and equipment downtime impacting on profit and cash flow
  - Implementing improvement plan to enhance production and improve profit

- Improving workbook in Queensland
  - Planned re-establishment of DSB into Bowen basin delayed with conservative approach to Coking Coal Price bounce back by producers
  - Active in area and replying to tender enquiries

Wongawilli Project Production Schedule



- 100 Year Old Mine – Idled for 2 years
- Delayed start due to state of mine at “Contract Take-over”
- Favourable Outcome to several Mines Dept. Inspections and Targeted Audits – minor improvement notices only.
- Recovery Plans detailed, resourced and monitored

4. Strategic Outlook

Business Strategy

- Safety Leadership from Top - Down
- Building client relationships and identifying new players
- Employment and Cost structures to be project term focused
- Cash flow accountability to be managed at Project level
- Improved stakeholder communications
- Monitoring and Reporting on Key Metrics
- Reduce corporate over heads to 3% revenue in 2 yrs.
- Target Mining Operations and Clients with:
  - Need for Contract Mining or Production Contracts
  - Term contracts for general and specialized contracting
- Develop Plan to create shareholder value

Outlook – Coal Sector

Metallurgical coal (currently DSB main client base & growth area)

- USD coking coal price strengthening in last Quarter with supply volumes maintained to traditional markets
- Recent increases in coal price has some producers revisiting plans and potentially “bring on” idled production.
- Production Volumes from large Qld Open-cuts being sustained with new mines replacing high cost operations.
- Low capital cost expansions and production options being considered
- New operators entering sector – reopening retired assets of larger operators.

Thermal coal

- Prices stabilized but demand is dependent on Global Growth and Severity of Northern Hemisphere Climatic Seasons
- Coal will maintain a strong position in the global energy generation market
  - **Indonesian Coal Exports down as End Users seek higher quality fuel sources**
  - **Australian long-term production forecast to maintain volumes.**

Note – Mining approvals continue to be increasingly difficulty to gain. Existing coal approvals will increase in value.

Outlook Statement - Delta SBD

Executive Management and the Board are reasonably confident of further growth in underlying earnings for FY17. It is too early to provide specific guidance other than to say underlying earnings for the upcoming year should be at least at the level of FY16. This, combined with a new targeted payout ratio of 60% of underlying earnings will provide the fundamentals of improved shareholder wealth and market awareness of Delta SBD.

Appendices

Corporate Overview

DeltaSBD safer better dependable

Capital structure

Shares on issues	57,270,670
Share price (16 November 2016)	$0.215
Market Capital	$12.31M

Board

Glyn Dawkins	Non-executive Chairman
Neville McAlary	MD and Chief Executive Officer
Stephen Bizzaca	Non-executive Director
Geoff Garside	Non-executive Director

Top Shareholders (as at 21 October 2016)

Shareholder Name	% of fully paid issued capital
Stephen Bizzaca	30.08%
Glyn Dawkins	22.09%
JP Morgan Nominees Australia Limited (Collins Street Value Fund)	11.99%
Trinity Management Group Pty Ltd*	5.25%
Nehemine Pty Ltd <McCreadle Family A/C>	1.52%
Mr David Colin Archibald	1.45%

** excludes Stephen Bizzaca shares, included in "Stephen Bizzaca entities"*

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