

ASX RELEASE

1 December 2016

ASX Market Announcements
20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam

Watpac finalises new \$170M bank guarantee facility

Watpac Limited ('Watpac' or 'Group') today announced it has completed arrangements for a new \$170 million syndicated bank guarantee facility with domestic and international banks comprising Bank of Queensland, BNP Paribas, Commonwealth Bank of Australia and HSBC.

The new facility represents a \$50 million increase on Watpac's previous bank guarantee facility limit.

A press release is attached.

Yours sincerely,
WATPAC LIMITED



Mark Baker
COMPANY SECRETARY

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PRESS RELEASE

1 December 2016

Watpac finalises new \$170M bank guarantee facility

Watpac Limited ('Watpac' or 'Group') today announced it has completed arrangements for a new \$170 million syndicated banking facility for the provision of bank guarantees with domestic and international banks comprising Bank of Queensland, BNP Paribas, Commonwealth Bank of Australia ('CBA') and HSBC.

Reflecting a \$50 million increase in Watpac's bank guarantee issuing capacity, the new facility also provides improved terms and conditions and extends the Group's facilities maturity profile.

HSBC acted as Mandated Lead Arranger and Bookrunner for the new facility, with CBA selected as syndicate agent and security trustee, and the Group's incoming transactional banker.

Watpac Limited Managing Director, Martin Monro, said that the new facility and syndicate composition is testament to the Group's financial and operational strength and credibility as a leading national construction and mining contracting group.

"We are delighted to be working with a syndicate of banks who understand our business and the sectors in which we operate, and support our aspirations for the considered growth and evolution of our operations around the country.

"Watpac has worked with three of the four banks – HSBC, BOQ, and BNP Paribas for several years in our most recent facility, and those relationships are now well developed.

"The arrival of the CBA into the new facility is extremely welcome and also brings with it the opportunity to upgrade the transactional banking platform."

Having been recently named as Preferred Builder for the first stage of the \$1.1 billion Herston Quarter project in Brisbane, Mr Monro said the enhanced facility enables the Group to provide the requisite project security on large-scale projects and allows Watpac to continue participating in targeted tendering activities with certainty of bank guarantee issuing capacity.

"The new arrangements enhance the Group's ability to deliver multiple large-scale projects while continuing to target projects that have high barriers to entry including significant social infrastructure contracts."

Together with surety bond facilities totalling \$245 million, which are currently drawn to \$119 million, the Group has substantial available capacity in its various performance security facilities.

Watpac is currently delivering projects with an end value of almost \$3 billion nationally including Brisbane's \$188 million Mary Lane project, Sydney's \$123 million York & George mixed-use development and the \$75 million 333 George Street office tower, Victoria's \$291 million New Schools PPP Project, and the \$63 million Central Adelaide residential development in Adelaide.

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Note to editors: Watpac is a leading national construction and mining services 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.

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