

ASX ANNOUNCEMENT

13 June 2023

Gemco Rail Pilbara Partnership

Engenco Limited (ASX: EGN) (**Engenco** or **Company**) is pleased to announce that Gemco Rail Pty Ltd (**Gemco Rail**) is partnering with Rio Tinto Limited (ASX: RIO) (**Rio Tinto**) to bring local iron ore rail car manufacturing and bearing maintenance to the Pilbara region in an industry-first.

Under the partnership, Gemco Rail will establish a facility in Karratha, Western Australia to support Rio Tinto's Pilbara operations. Gemco Rail will also build 100 iron ore rail cars for Rio Tinto over a six-year period, in addition to continuing its existing business supplying new and reconditioned iron ore rail car bearings to Rio Tinto.

As a leading independent provider of quality rollingstock products and services, Gemco Rail will utilise its existing capabilities at its flagship facility in Forrestfield, Western Australia to deliver the initial tranche of 40 iron ore rail cars and to train Gemco Rail's local Pilbara workforce while establishing a facility in Karratha.

Once the Karratha facility is operational, Gemco Rail will transfer its Rio Tinto iron ore rail car build and bearing maintenance services from Forrestfield to Karratha, while continuing to service other customers from the Forrestfield facility. Gemco Rail anticipates building an average of 10 iron ore rail cars per year from its Karratha facility, replacing iron ore rail cars as they are retired from Rio Tinto's existing fleet.

The contracts with Rio Tinto for both the new iron ore rail cars, and the existing bearing maintenance services which will be relocated from Forrestfield to Karratha, are expected to collectively be worth approximately \$150 million.

The first Western Australia built iron ore rail car is expected to be delivered by mid-2024 and the Karratha-based facility is expected to be established by the end of 2024, subject to the availability of a suitable property.

This partnership has been developed by Rio Tinto and Gemco Rail and is supported by Qiqihar Railway Rolling Stock (**QRRS**) and the Western Australian State Government.

Engenco Chief Executive Officer, Dean Draper, said: "In securing this opportunity with Rio Tinto, Gemco Rail is proud to utilise its experience and capabilities to re-establish the manufacture of iron ore rail cars in Western Australia. Gemco Rail's investment in the Pilbara reflects our long-term commitment to customers and communities in Western Australia. We acknowledge the conscious efforts of Rio Tinto to increase their spend with WA based suppliers, our supply partner QRRS, and the support from the Western Australian Government in facilitating this investment in Karratha."

This announcement has been authorised for release by the Engenco Board of Directors.

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About Engenco Limited

Engenco specialises in:

- Maintenance, repair and overhaul of locomotives
- Manufacture and maintenance of wagons, carriages and associated rail equipment
- Maintenance, repair and overhaul of heavy-duty engines, powertrain, propulsion and gas compression systems
- Project management, training and workforce solutions
- Manufacture and supply of road transport and storage tankers for dry bulk products

Engenco services a diverse client base across the defence, resources, marine, power generation, rail, heavy industrial, mining and infrastructure sectors.

For further information, please contact:

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