

ASX: SOI

24 June 2014



Submit by fax or electronically

Company Announcements Office
ASX Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Acquisition \$200 million Development Project & Penor Update

Highlights

- **Soil Sub Technologies Limited** (“SOI”, “the Company” or “Soil Sub Technologies”) is pleased to announce it has signed a Heads of Agreement (“HOA”) to acquire 100% of the issued capital of **Platinum Performance Sdn Bhd** (“**Platinum Performance**”) who have been granted an Award of Contract for the RM550 million (A\$200 million) construction of the N6 Phase of the North Kuala Terengganu City Centre Breakwater Development project (“**KTCC Project**”) in Kuala Terengganu (400 kilometres north – east of Kuala Lumpur), the capital of Terengganu State.
- The KTCC Project was launched by His Honourable Prime Minister of Malaysia Yang Mat Berhormat Dato Sri Haji **Mohammad Najib bin Tun Haji Abdul Razak** in October 2011 and will have a gross value of approximately RM 5 billion (A\$1.8 billion)
- The N6 Phase will comprise a multi-use project incorporating hotels, state assemblies, shopping malls and associated facilities over a 2.8 hectare site.
- The award of contract is subject to a final contract that is scheduled to be finalised by Late August 2014. Infrastructure works have commenced and construction is anticipated to commence in 1Q/2Q 2015.
- The acquisition of **Platinum Performance** will be subject to **SOI** shareholder approval, due diligence and compliance with Chapter 1 & 2 of ASX Listing Rules.



Soil Sub Technologies Limited

ACN: 078 388 155

Postal Address: PO Box 154 Perth WA 6872 TEL: +61-8-9488-0800, Fax Number: +61-8-9488-0899

About the N6 Phase of the KTCC Project

The N6 Phase of the KTCC project will comprise a multi use project incorporating two 28 story serviced apartments, a hotel, a parking lot, a State Assembly, Conventional Hall, shopping malls, a theatre and associated facilities over a 2.8 hectare site as delineated by N6 (Figure 1).

The project owner is Terengganu State entity **Beta Asset Sdn Bhd** with the principal contractor for the N6 Phase being **Pertiwi Emas Sdn Bhd** (60% owned by **Platinum Performance**). A total budget of RM 550 million (A\$200 million) has already been approved by ECER (East Coast Economic Region Development Council) and Khazanah Nasional. Pertiwi Emas will lodge a Performance Bond and receive progress payments through the life of the project.

The time frame for completion is four years.

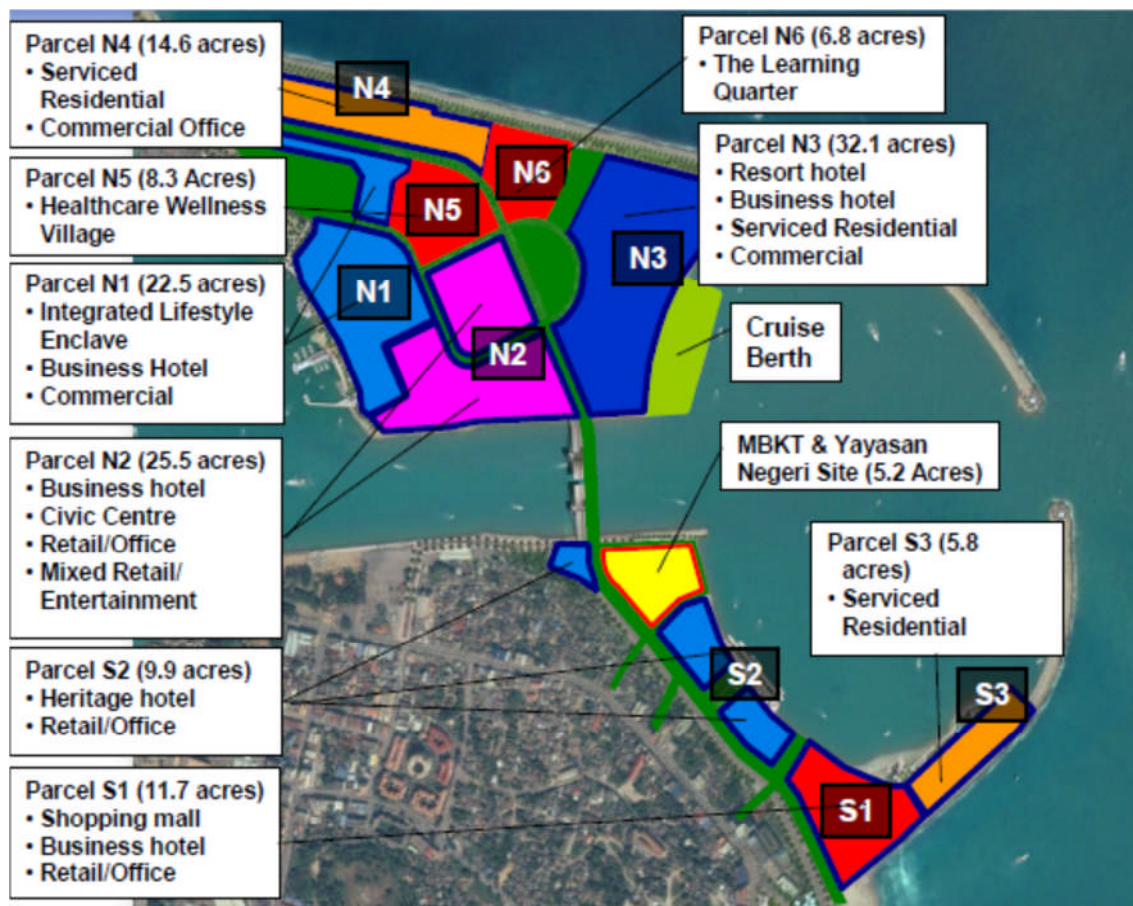


Figure 1: Land development parcels at the KTCC Project at Kuala Terengganu, Terengganu State, Malaysia.

About the KTCC Breakwater Project



Figure 2: KTCC Project at Kuala Terengganu, Terengganu State, Malaysia.

The Kuala Terengganu City Centre (KTCC) development (Figure 2 and 3) spearheaded by the East Coast Economic Region Development Council (ECERDC) commenced in May 2014. The recent completion in late 2013 and handover of infrastructure at Muara Selatan as well as the commencement of works on KTCC Mall heralded the start of a significant transformation for the waterfront area of Kuala Terengganu.



Figure 3: KTCC Project at Kuala Terengganu, Terengganu

The KTCC Project integrates the most active urban areas straddling both sides of the Terengganu River, merging them into a culturally unique and vibrant Heritage Waterfront City. The focal point of KTCC, Muara (estuary) North and South, is envisioned as the modern extension of Kuala Terengganu's CBD, embracing both river and sea, bridging the north and south, with a distinct sense of place sculpted from its own unique blend of culture, landscape and architecture.

As part of this project, ECERDC is constructing a drawbridge to link Muara Selatan and Muara Utara. Designed as the iconic landmark of contemporary Kuala Terengganu, the drawbridge is also a traffic dispersal system. The drawbridge would be 632m long, with its

elevated structure measuring 452 metres in length.

Soil Sub Technologies Limited

ACN: 078 388 155

Postal Address: PO Box 154 Perth WA 6872 TEL: +61-8-9488-0800, Fax Number: +61-8-9488-0899

N6 Phase of KTCC Breakwater Project-Development Timetable

The approximate timetable for the N6 Phase of the KTCC Project is set out in figure 4.

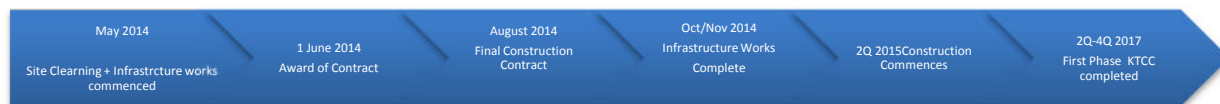


Figure 4: Approximate timetable for the completion of N6 Phase of the KTCC Project at Kuala Terengganu, Terengganu State, Malaysia.

Acquisition Terms of PLATINUM PERFORMANCE

The key commercial terms and conditions for the acquisition of **PLATINUM PERFORMANCE** are summarised as follows:

- The issue of 1.25 billion **SOI** shares to **PLATINUM PERFORMANCE** prior to and as part of the Company's re-compliance with Chapter 1 and 2 of ASX Listing Rules.
- The provision of up to A\$300,000 in working capital to **PLATINUM PERFORMANCE** for purposes of governmental/regulatory approvals as it progresses towards a final contract to provide the basis for re-compliance with ASX Listing Rules.
- Completion of satisfactory due diligence on **PLATINUM PERFORMANCE** at the discretion of **SOI**.

PENOR Project Update


Further to the Company's ASX announcement of 27 April 2014, **Platinum JV Developments Sdn Bhd** ("PJVD") is now in negotiation with the National Housing Board (under the Malaysian Minister of Finance Department) for the final negotiation of the Penor Project. This meeting is set to occur over the next two weeks. The intent of this meeting is to finalise scope of works and budget values and or the National Housing Board to issue letter of Intent, which then commences the construction contract negotiation period ready for the final contract.

Conclusion

Mr Guy Le Page, Executive Chairman of the Company comments:

*"The proposed acquisition of **PLATINUM PERFORMANCE** and the opportunity to take part in the construction of the A\$200 million KTCC Breakwater Project presents a near term cash flow opportunity for **SOI** in the fast developing Terengganu State on the east coast of Malaysia. We believe that there will be further scope to expand the role of **PLATINUM PERFORMANCE** at the KTCC Project located in the heart of Kuala Terengganu. The addition of the KTCC to the previously announced Penor project provides **SOI** with a promising pipeline of Malaysian based property projects as we continue to build momentum in this part of the world. The next major milestone at Terengganu is the finalisation of the final contract that is anticipated to take place in late August 2014. We also anticipate a further update to the market on Penor within the next few weeks."*

Yours Sincerely



Guy T. Le Page, MAusIMM, FFIN
Chairman

Soil Sub Technologies Limited

ACN: 078 388 155

Postal Address: PO Box 154 Perth WA 6872 TEL: +61-8-9488-0800, Fax Number: +61-8-9488-0899