

## AERISON TRIGGERS DISPUTE WITH ROY HILL

### OVERVIEW

- ▶ **Aerison has formally notified Roy Hill that a dispute has arisen between the parties over unpaid monies for services and equipment provided to Roy Hill by Aerison**
- ▶ **Submitted claims to Roy Hill by Aerison currently total \$47.5m**
- ▶ **Legal and restructuring advisors engaged to support the Company as it continues to operate**

Perth-based engineering and construction provider Aerison Group Ltd (**ASX:AE1**) ("**Aerison**", or the "**Company**") advises that it has formally notified Roy Hill Iron Ore Pty Ltd ("**Roy Hill**") that a dispute has arisen between the parties in connection with their Design and Construct Contract ("**Contract**") for the construction of Roy Hill's Saline Water Reverse Osmosis Desalination Plant ("**SWRO**").

The Contract was executed in October 2021, and Aerison commenced site activities on 15 February 2022. As at today's date submitted claims to Roy Hill by Aerison total \$47.5 million. This number may change subject to final review. Commercial discussions have been ongoing between the parties in an attempt to settle outstanding amounts owed to Aerison, however no agreement has been reached to date. In the circumstances, Aerison has had no alternative but to invoke a formal dispute between the parties as provided for in the Contract.

#### **Managing Director and CEO, Giuseppe Leone said:**

*"Over the past six months Aerison has been working with Roy Hill to reach a mutually agreeable outcome on outstanding matters that adequately reflects the value of the work completed to date. Our move to invoke the dispute clauses contained within the contract was a last resort in an attempt to protect the interests of the Company and our team, supply chain, contractors and shareholders. Whilst it is disappointing that this matter has not been able to be resolved to date, we will continue to work to resolving the current issues between the parties promptly and in good faith."*

#### **Independent Non-Executive Chairman, Bronwyn Barnes said:**

*"This issue however has had an impact on our business, which the board and management are working to manage. We thank our existing clients, dedicated employees and supply chain for their ongoing support. The Company is focused on securing a future for the business that is positive for clients, staff, contractors, suppliers and shareholders and has engaged tier one restructuring, finance and legal firms to assist in that process."*

#### **Next Steps**

The parties have an obligation to negotiate in an attempt to resolve the dispute. If the parties are unable to reach a resolution by negotiation within a short period of time in accordance with the Contract, the parties may move to arbitration to resolve the dispute. The Company is restricted from commenting further in relation to specific matters relating to the dispute at this time but will keep the market informed as appropriate.

**ENDS**

**This announcement was authorised for release to the ASX by the Board of Aerison Group Ltd.**

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**About Aerison**

Aerison Group Ltd (ASX:AE1) Aerison is a multi-discipline engineering design and construction company self-performing multi-disciplined EPC, engineering and design, construction and maintenance services to various industries and clients across Australia. Aerison is also recognised as ESG industry leaders for its specialist expertise in environmental services and social governance, including emission mitigation performance studies, compliance testing and custom designed and build solutions engineered to reduce the impact of industry on the environment. The success of Aerison has been built on its ability to provide a quality turnkey service, and this is only possible by having in-house engineering and design, procurement, project management, manufacturing, construction, mechanical installation and commissioning capabilities. Safety, quality and schedule are our key drivers.

Please visit [www.aerison.com](http://www.aerison.com) for further information.