

11th April 2017**Anjuli Sinniah**

Adviser, Listings Compliance (Perth)
ASX Compliance Pty Ltd
Level 40, Central Park, 152-158 St Georges Terrace
Perth WA 6000

e: anjuli.sinniah@asx.com.au

Dear Anjuli,

Response to ASX Aware Query**1. Please provide a breakdown of the value of the Extended Contract and each of the New Contracts.**

The value of the Extended Contract is approximately \$642,180.00 (inc. GST), reflecting the potential revenue associated with all orders that may be received under the Extended Contract.

The value of each New Contract is as follows:

Customer	Value (inc. GST)
Adrian Zorzi Homes	\$474,209.00
FMG	\$328,378.60
Austurban	\$43,810.00
Pindan	\$986,933.69
ADCO	\$511,160.00
Perkins	\$643,500.00
JAXON	\$564,300.00
Total	\$3,552,291.29

WSI notes that the values of the Extended Contract and New Contracts do not in all cases represent immediate commitments for orders to be placed to the rates and prices set out in those contracts.

2. Does WSI consider it being awarded the Extended Contract to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

No.

3. If the answer to question 2 is “no”, please advise the basis for that view.

PreCast Australia is still in its first financial year under the ownership of WSI. Without an observable trading history under WSI's control and without sufficient certainty to provide earnings forecasts to the market, the Board of WSI remain guided by short term levels of contracted revenue and tendering activity to assess the materiality of contract awards on the value of WSI securities.

The Extended Contract is for a value of approximately \$642,180.00 (inc. GST), which WSI does not anticipate will, in isolation, materially impact its revenue or earnings beyond what may have been anticipated having regard to the Company's half yearly results. In the December 2016 half-yearly report released on 28 February 2017, WSI announced that PreCast Australia had contracted orders to the value of \$2,047,000 to be delivered over the next 3 months and noted strong tender activity. The Directors consider that the award of the Extended Contract does not materially depart from WSI's contracted revenue position and reflects a routine conversion of pipeline opportunities into contracted order book.

4. When did WSI first become aware it was awarded the Extended Contract?

At 4:55pm on 5 April 2017.

5. When WSI first became aware it was awarded the Extended Contract before the Contracts Announcement, did WSI make any announcement prior to the Contracts Announcement which disclosed it was granted the Extended Contract? If so, please provide details. If not, please explain why the information disclosing WSI was granted the Extended Contract was not released to the market at an earlier time, commenting specifically on when you believe WSI was obliged to release the information relating to receiving the Extended Contract under Listing Rules 3.1 and 3.1A and what steps WSI took to ensure that the information was released promptly and without delay.

As confirmed in Item (2) above, WSI did not consider that the Extended Contract would have a material effect on the price of WSI shares therefore did not make any announcements prior to the Contracts Announcement disclosing the Extended Contract. Details of the Extended Contract were included as a broader update and as part of the Contracts Announcement.

6. Does WSI consider it being awarded all or any of the New Contracts to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

No.

7. If the answer to question 6 is "no", please advise the basis for that view.

Consistent with the response to question 3, the New Contracts are for a value of approximately \$3,552,291.29, which WSI does not anticipate will materially impact its revenue or earnings beyond what may have been anticipated having regard to the Company's half yearly results. In the December 2016 half-yearly report released on 28 February 2017, WSI announced that it had contracted orders to the value of \$2,047,000 to be delivered over the next 3 months and noted strong tender activity. The Directors consider that the award of the New Contracts does not materially depart from WSI's contracted revenue position and reflects a routine conversion of pipeline opportunities into contracted order book.

8. When did WSI first become aware it was awarded each of the New Contracts?

At 4:55pm on 5 April 2017.

9. When WSI first became aware it was awarded each of the New Contracts before the Contracts Announcement, did WSI make any announcement prior to the Contracts Announcement which disclosed it was granted each of the New Contracts? If so, please provide details. If not, please explain why the information disclosing WSI was granted each of the New Contracts was not released to the market at an earlier time, commenting specifically on when you believe WSI was obliged to release the information relating to receiving each of the New Contracts under Listing Rules 3.1

and 3.1A and what steps WSI took to ensure that the information was released promptly and without delay.

As confirmed in Item (6) above, WSI did not consider that the New Contracts would have a material effect on the price of WSI shares, therefore did not make any announcements prior to the Contracts Announcement disclosing the New Contracts. Details of the Extended Contract were included as a broader update as part of the Contracts Announcement of 7 April 2017.

10. Please detail WSI's estimated cash outflows for the quarter ended 31 December 2016, noting that WSI failed to include the requisite information in the Quarterly Report.

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Research and development	-
9.2	Product manufacturing and operating costs	1,100
9.3	Advertising and marketing	-
9.4	Leased assets	130
9.5	Staff costs	175
9.6	Administration and corporate costs	120
9.7	Other (provide details if material)	-
9.8	Total estimated cash outflows	1,525

11. Please detail WSI's estimated cash outflows for the quarter ended 31 March 2017.

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Research and development	-
9.2	Product manufacturing and operating costs	850
9.3	Advertising and marketing	-
9.4	Leased assets	200
9.5	Staff costs	175
9.6	Administration and corporate costs	80
9.7	Other (provide details if material)	-
9.8	Total estimated cash outflows	1,305

12. Please detail the total estimated costs to WSI in performing the Extended Contract and the New Contracts.

The total estimated costs to WSI in performing the Extended Contract and the New Contracts have been priced on a commercial basis and are forecast to be less than the sales revenue attributable to the Extended Contract and the New Contracts.

13. Please confirm that WSI is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

WSI is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

14. Please confirm that WSI's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or

otherwise by its board or an officer of WSI with delegated authority from the board to respond to ASX on disclosure matters.

WSI's responses to the questions above have been authorised and approved in accordance with its continuous disclosure policy.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Andrew Metcalfe', is written over a light grey rectangular background.

Andrew Metcalfe
Company Secretary



7 April 2017

Mr Andrew Metcalfe
c/- Accosec Pty Ltd
Suite 3, Level 2, 470 Collins Street
MELBOURNE VIC 3000

By email: andrew@accosec.com

Dear Andrew

WestStar Industrial Limited ("WSI"): aware query

ASX Limited ("ASX") refers to the following:

- A. WSI's announcement entitled "Appendix 4C – December 2016 quarter" lodged on the ASX Market Announcements Platform and released at 5:03pm (AEDT) on 31 January 2017 (the "Quarterly Report"), disclosing WSI's financial information for the quarter ended 31 December 2016. The Quarterly Report does not contain the information relating to the estimated cash outflows for the next quarter:

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Research and development	-
9.2	Product manufacturing and operating costs	-
9.3	Advertising and marketing	-
9.4	Leased assets	-
9.5	Staff costs	-
9.6	Administration and corporate costs	-
9.7	Other (provide details if material)	-
9.8	Total estimated cash outflows	-

- B. WSI's announcement entitled "Strategic placement and Board changes" lodged on the ASX Market Announcements Platform and released at 6.24pm (AEDT) on 28 March 2017 ("Placement and Board Changes Announcement") disclosing WSI placed 29.8 million fully paid ordinary shares at \$0.01 per share for working capital purposes and the appointment of Bert Mondello and Philip Re as non-executive directors ("Appointment").
- C. WSI's announcement entitled "Disclosure Document" lodged on the ASX Market Announcements Platform and released at 8:28am (AEDT) on 29 March 2017 ("Cleansing Notice") disclosing 29,863,192 fully paid ordinary shares at \$0.01 per share were issued without disclosure to investors under Part 6D.2 of the Corporations Act 2001 (Cth) ("Corporations Act") ("Placement") and as at the date of the Cleansing Notice, WSI complied with the provisions of Chapter 2M and section 674 of the Corporations

Act and s that there is no information that is 'excluded information' within the meaning of sections 708A(7) and (8) of the Corporations Act.

- D. WSI's announcement entitled "WestStar bolsters Order Book with over \$4M of contract wins" lodged on the ASX Market Announcements Platform and released at 10:04am (AEDT) on 6 April 2017 ("Contracts Announcement") disclosing that Precast Australia Pty Ltd ("Precast") has secured new contracts and additional works for customers in the Commercial, Aged Care, Hospitality, Marine and Residential Construction and Mining markets with a combined value in excess of \$4 million.
- E. The Contracts Announcement discloses that the Mandurah Multiplex Forum contract has been extended to Precast for the remaining stages 3, 4 and 5 ("Extended Contract"). The Contracts Announcement also discloses that Precast was awarded the following newly awarded contracts:
 - a) Fortescue Metals Group – for Christmas Creek contract for Precast rock breaker footings;
 - b) Adrian Zorzi Homes – for Rouse Head Boatshed, Rouse Head Marina Complex;
 - c) Austurban Homes – for the supply and installation of precast Concrete Architectural products;
 - d) ADCO Constructions Pty Ltd – for Regis Aged Care, Port Coogee;
 - e) JAXON Constructions Pty Ltd – for Horizon Apartments;
 - f) Perkins Builders Pty Ltd – for Belmont Forum Stage 3B Coles building;
 - g) Pindan Constructions – for Quest Hotel and Apartments in South Perth;(collectively "New Contracts").
- F. The Contracts Announcement also discloses receipt of the delayed receipts in Tier 1 contractor payments which strengthens WSI's balance sheet ("Delayed Payments").
- G. WSI's shares closed at \$0.006 on 27 March 2017 and reached an intraday high of \$0.01 on 28 March 2017 following the release of the Placement and Board Changes Announcement. WSI's shares closed at \$0.009 on 30 March 2017 and reached an intraday high of \$0.024 on 31 March 2017. WSI's share price closed at \$0.018 on 5 April 2017 and reached an intraday high of \$0.032 on 6 April 2017 following the release of the Contracts Announcement.
- H. ASX notes the following:
 - a) The Quarterly Report does not provide the estimated cash outflows for the next quarter, being the quarter ended 31 March 2017.
 - b) The Contracts Announcement was released 6 business days following the release of the Cleansing Notice and issue of the Placement securities.
 - c) The Contracts Announcement does not disclose the date on which the Extended Contract was granted nor does it disclose the dates on which each of the New Contracts were awarded to Precast.
- I. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

J. The definition of “aware” in Chapter 19 of the Listing Rules, which states that:

“an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity”

and section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B* “When does an entity become aware of information”.

K. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

“3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed.”

L. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

Having regard to the above, ASX asks WSI to respond separately to each of the following questions and requests for information:

1. Please provide a breakdown of the value of the Extended Contract and each of the New Contracts.
2. Does WSI consider it being awarded the Extended Contract to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
3. If the answer to question 2 is “no”, please advise the basis for that view.

4. When did WSI first become aware it was awarded the Extended Contract?
5. When WSI first became aware it was awarded the Extended Contract before the Contracts Announcement, did WSI make any announcement prior to the Contracts Announcement which disclosed it was granted the Extended Contract? If so, please provide details. If not, please explain why the information disclosing WSI was granted the Extended Contract was not released to the market at an earlier time, commenting specifically on when you believe WSI was obliged to release the information relating to receiving the Extended Contract under Listing Rules 3.1 and 3.1A and what steps WSI took to ensure that the information was released promptly and without delay.
6. Does WSI consider it being awarded all or any of the New Contracts to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
7. If the answer to question 6 is “no”, please advise the basis for that view.
8. When did WSI first become aware it was awarded each of the New Contracts?
9. When WSI first became aware it was awarded each of the New Contracts before the Contracts Announcement, did WSI make any announcement prior to the Contracts Announcement which disclosed it was granted each of the New Contracts? If so, please provide details. If not, please explain why the information disclosing WSI was granted each of the New Contracts was not released to the market at an earlier time, commenting specifically on when you believe WSI was obliged to release the information relating to receiving each of the New Contracts under Listing Rules 3.1 and 3.1A and what steps WSI took to ensure that the information was released promptly and without delay.
10. Please detail WSI’s estimated cash outflows for the quarter ended 31 December 2016, noting that WSI failed to include the requisite information in the Quarterly Report.
11. Please detail WSI’s estimated cash outflows for the quarter ended 31 March 2017.
12. Please detail the total estimated costs to WSI in performing the Extended Contract and the New Contracts.
13. Please confirm that WSI is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
14. Please confirm that WSI’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of WSI with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, **by not later than 9am WST on Tuesday 11 April 2017**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in WSI’s securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, WSI’s obligation is to disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at anjuli.sinniah@asx.com.au and tradinghaltspert@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to WSI's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that WSI's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in WSI's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Anjuli Sinniah
Adviser, Listings Compliance (Perth)