



ASX ANNOUNCEMENT

23 MAY 2017

VALMEC PUTS STRUCTURE IN PLACE FOR FUTURE GROWTH

Valmec Limited (ASX: VMX) has strengthened its capital structure and expanded its executive team as it continues to pursue growth opportunities across the resources, energy and infrastructure sectors.

Convertible Redeemable Preference Shares

Valmec confirms that it has redeemed the \$2.7M Convertible Redeemable Preference Shares (CRPS) at their expiry date and in accordance with their issue terms and conditions. Repayment of the CRPS liability has been funded via the placement of a \$2.7M unsecured loan facility with entities associated with the company's Chairman Stephen Zurhaar and Directors Stephen Lazarakis and Vincent Goss.

The unsecured loan facility provides Valmec with the benefits of a lower interest rate than the CRPS (12.5% fully franked) as well as the preservation of franking credits for the benefit of all shareholders which were attached to the CRPS interest payments. The unsecured loan has also been subordinated in favour of the Company's primary financiers, Bankwest.

The key terms of the unsecured loan facility are as follows:

Loan Amount	A\$2.7M
Expiry	1 July 2018
Interest Rate	10% per annum payable monthly in arrears

"As the lenders are both directors and substantial shareholders of Valmec, this investment is a further reinforcement of their support for Valmec and confidence in our growth strategy," said Managing Director Steve Dropulich.

"These funds will give the Company enhanced capital flexibility, allowing us to allocate working capital to new projects and target additional tendering opportunities."



Executive Management Changes

Valmec is also pleased to announce additions to its Executive Management team.

Paul Premerl, based in our Brisbane office, has been appointed to lead Valmec's Oil and Gas Construction division, while Will Telfer, based in our Perth office, will head up Infrastructure and Utilities for the Group.

Both Mr Premerl and Mr Telfer are highly experienced Operations Managers who have had long careers in engineering services, with a key focus on the gas and infrastructure sector.

The appointment allows Vince Goss to assume a Non-Executive Director role from 1 June 2017. Mr Goss's current Executive Director role with the Group has included leadership of Valmec's project delivery operations since the Company's inception.

"With the current expansion of Valmec's operations and diversified project opportunities throughout Australia, these recent appointments will enable Vincent to provide guidance on strategic and project systems development rather than focusing on day to day operational requirements," said Valmec's Chairman Stephen Zurhaar.

About VALMEC

Valmec is an Australian energy and multi-discipline services group providing specialised packaged equipment, construction, maintenance, commissioning and integrity maintenance services to the resources, energy and infrastructure sectors.

Founded by an experienced team of EPC and contracting professionals each with more than 25 years in the Australian gas industry, Valmec's focus is on the delivery of innovative project solutions, superior service and faster time-to-market options than the competition.

Valmec employs approximately 180 project and support personnel, operating out of modern offices and fully equipped workshop facilities in Western Australia and Queensland.

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