

WestStar Completes Transformational Acquisition

Highlights:

WestStar Industrial Limited (WestStar) acquires SIMPEC Pty Ltd (SIMPEC)

- **SIMPEC** is a construction contractor with specialist experience in both Structural, Mechanical and Piping (SMP), and Electrical and Instrumentation (E&I) works
- SIMPEC is led by the impressively credentialed team of **Mr Mark Dimasi** and **Mr David Dimasi**, together with over 35 years' experience
- SIMPEC's core capabilities provide clients with a fully integrated solution with its key personnel having multi-disciplined experience from design, fabrication, site installation, commissioning and asset management services, providing skills to deliver projects for all infrastructure, energy, mining, and oil and gas projects
- SIMPEC is a game changing opportunity for WestStar to execute on its overarching business strategy to **diversify into complementary sectors and expand nationally**
- Consideration is payable in WestStar securities – 37.5 million shares issued on completion; 37.5 million service based performance securities; and up to a further 25 million shares, subject to deferred payment performance hurdles and EBITDA based KPIs criteria being achieved
- Mr Mark Dimasi and Mr David Dimasi to be employed by SIMPEC on terms which include WestStar equity based incentives
- SIMPEC will grow and leverage Precast's existing Tier 1 partnerships

WestStar Industrial Limited (ASX:WSI) ("WestStar" or "the Company") is pleased to announce that it has entered into a Share Sale Agreement (the "Transaction") to acquire 100% of SIMPEC Pty Ltd ("SIMPEC").

With the implementation of the Precast concrete Supply and Install strategy finalised, the next stage for the WestStar's business model is to diversify into new lines of products via acquisition and organic growth. SIMPEC provides WestStar with the opportunity to offer an all-encompassing construction and asset management service with management in place who have experience implementing processes and delivering projects.

SIMPEC is led by Managing Director Mark Dimasi and Director David Dimasi who together have over 35 years' experience delivering major Infrastructure, Mining and Oil and Gas projects for blue-chip clients for a large ASX listed engineering group.

ASX Release

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Issued Capital:

354,087,949 shares
155,000,000 options

ASX Symbol:

WSI
WSIO



Company Snapshot

SUPPLY – CONSTRUCT – DELIVER – MAINTAIN

SIMPEC's core capabilities provide clients with a fully integrated solution with multi-disciplined experience from design, fabrication, site installation, commissioning and asset management services, providing skills for all **infrastructure, mining and oil and gas projects** in the following facets of expertise:

- Management of Design Engineering in Civil, SMP and E&I;
- In situ concrete, grouting and in-house leading Industry precast concrete operative (Precast Australia);
- Capital construction project delivery;
- Asset Management Services with key focus on Oil and Gas and Mining;
- Earthworks;
- SMP Major Construction; and
- E&I Major Construction.

SIMPEC focuses on capital and efficiency upgrade works in **Australia**. SIMPEC's onshore construction and asset management capabilities represent a comprehensive solution for all Infrastructure, Mining and Oil and Gas customers. **SIMPEC's key capabilities, paired with WestStar's Precast business, represents a unique service offering in the market.**

The Group also holds a competitive advantage over major construction players in the market with a lean overhead structure paired with experienced and impressively credentialed management. Mark Dimasi and David Dimasi are well known and respected in the industry and their relationships will be invaluable to the success of the SIMPEC business.

Key Personnel

SIMPEC Managing Director Mark Dimasi has overseen the construction of Major Oil and Gas projects as Construction/Project Manager and Building Contractor's Licence holder for UGL Limited. Mark has 22 years of experience in Management positions within the Engineering, Construction and Asset Management Services industry. Working with UGL since 1995, Mark has successfully executed the delivery of major Process and Infrastructure projects for a number of blue-chip clients with exposure across all commodities.

SIMPEC Director David Dimasi is an experienced and diligent Project Manager and leader of industrial and commercial teams executing SMP and E&I works, as well as stand-alone specialised electrical and instrumentation installations in the industry. David's experiences ensure that production demands are achieved in an efficient, safe, timely and cost-effective manner to meet the requirements of the client. David was Electrical Contractor's Licence holder for UGL Limited.

Strategy

The Transaction fits with WestStar's strategy to identify opportunities to compliment its Precast Australia subsidiary in the construction industry. The management team of SIMPEC are an outstanding addition to WestStar in terms of reputation, experience and earning potential.

Together with SIMPEC, the Group's combined customer relationships and skills will provide further leverage to win more contracts in other geographies and industries. SIMPEC will also leverage off WestStar's shared services to further reduce its administrative and operational overheads.

Transaction Structure

The Transaction is fully funded in script issued in the following tranches:

- 37.5 million shares on the Transaction completion date (subject to 24-month voluntary escrow);
- 37.5 million performance securities, the issue of which will be subject to shareholder approval and that will vest upon the achievement of service based vesting criteria (subject to 12-month voluntary escrow from date of issue);¹
- up to 25 million shares to be issued on the achievement of \$500,000 of earnings before interest, taxation, depreciation and amortisation (EBITDA) within 18 calendar months of the Transaction completion date; and
- Mr Mark Dimasi and Mr David Dimasi to be employed by SIMPEC on terms which include equity based incentives on the terms of an equity incentive plan to be adopted by the WestStar board for approval at the Company's next Annual General Meeting.

At the Transaction completion date, SIMPEC will:

- have available cash at bank of \$250,000;
- hold an electrical licence; and
- undertake to obtain a building licence, regulatory certifications and health and safety accreditations that will be maintained in good standing.

Commenting on the Transaction, WSI Director Bert Mondello noted:

"While successfully building up the Precast business order book, we have been looking for strategic acquisitions such as this and I am thrilled to welcome the SIMPEC team to WestStar. Mark Dimasi and David Dimasi are industry recognised leaders in their field and have been the key operational construction and electrical personnel for UGL's major projects over the past 20 years. This transformational acquisition is a key milestone for WestStar to fast-track growth and build a substantial construction company. Any contracts signed by SIMPEC in their focus range will be material to WestStar."

SIMPEC Managing Director Mark Dimasi noted:

"We are excited to build upon our current industry relationships to deliver Construction and Asset Management Services excellence across all clients' assets and operations."

¹ To be issued pursuant to a proposed equity incentive plan to be adopted by the WestStar board. Securities issued pursuant to this plan will be subject to shareholder approval at the Company's next annual general meeting.

We are committed to making sure we deliver a strong balance between strategic improvement and operational discipline as well as providing the right people and investment to drive innovative approaches to deliver cost savings to our customers.

We will support our Team to deliver a new innovation step-change to the industry with safety at the forefront of everything we do.

It's not just SIMPEC, it's the people and the team around us that deliver industry excellence."

For further information please contact:

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