

ASX ANNOUNCEMENT**1 FEBRUARY 2018**

VALMEC COMPLETES ACQUISITION OF APTS

Further to its announcement dated 4 January 2018, Valmec Limited (ASX: VMX) is pleased to advise that it has now completed the acquisition of the Business and Assets of specialist pipeline testing company, APTS Pty Ltd. (APTS).

APTS Key Investment Highlights

- APTS was established in 2003 and has offices and laboratory testing facilities in Perth and Brisbane with contract operations also in Karratha and Darwin. It employs approximately 55 staff.
- APTS is a market leader in the pressure testing and calibration industry with an involvement in every major oil and gas project over the last 10 years.
- APTS boasts a blue chip client base including Chevron, Woodside, Shell, Origin Energy, and APA Group and Tier 1 Contractors.
- Acquisition includes:
 - The total plant and equipment assets originally acquired by APTS for circa \$8 million;
 - NATA accredited and specialised calibration facilities, NDT X-Ray equipment, specialised and fully accredited radiation equipment storage facilities included in the above plant and equipment;
 - Approximately \$5 million of long term service contracts with Tier 1 Oil and Gas clients, and over \$13 million of submitted tenders with current clients.
- APTS Business expected to derive EBITDA returns of approximately 10% once expected Valmec synergies are realised;
- Acquisition bolsters Valmec's existing business with immediate access to new pipeline testing capabilities, shutdown and maintenance services, delivering additional recurring revenue streams;
- Total cash consideration payable by Valmec on completion was approximately \$2.65 million.

Commenting on the acquisition, Valmec Managing Director Steve Dropulich said:

"Valmec has been able to structure a transaction with APTS which allows for the continuity of the APTS operations and retention of key staff and client contracts."

"We are delighted to finally welcome the management and staff of APTS to the Valmec Group and are genuinely excited about the synergies and the new business growth opportunities that both parties will benefit from in the future".



About APTS

APTS is a leading provider of Non-Destructive Testing (NDT) Services, Hydrostatic and Pneumatic Pressure Testing, Non-Metallic NDE and Testing Services along with an extensive list of Engineering support services to the Australian Oil and Gas, Power and Water Industries.

APTS has become the benchmark in the pressure testing and calibration industry. NATA and DNV accredited, the APTS mandate is about meeting client Quality and HSE parameters whilst also reducing client site construction and operating costs.

APTS employs approximately 50 service technicians and support personnel, operating out of custom built workshops, training facilities, testing laboratory and offices in Perth and Brisbane.

Website: www.apts.com.au

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 250 project and support personnel, operating out of modern offices and fully equipped workshop facilities in Western Australia and Queensland.

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