

SIMPEC Trading Update

ASX Release

8 February 2018

**WESTSTAR
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Issued Capital:

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

ASX Symbol:

WSI
WSIO

Highlights:

- WestStar business **SIMPEC Pty Ltd** is progressing well in establishing itself as a new player in the Engineering and Construction contracting sector
- SIMPEC is currently completing its first contract at **Iluka Resources' new Cataby Mine Development Project**, north of Perth, Western Australia
- SIMPEC has been awarded further minor procurement and services works by tier 1 clients **BHP** and **MSP Engineering**
- SIMPEC is actively tendering for projects throughout Australia. More than \$100M of work has been tendered for in the last quarter including acceptance of an EOI with a major commodities exporter

WestStar Industrial Limited ("WestStar" or "the Company") is pleased to provide the following trading update on its engineering contractor subsidiary SIMPEC Pty Ltd ("**SIMPEC**").

As announced on 13 November 2017, SIMPEC was awarded its first contract for construction works at **Iluka Resources' new mineral sands mine development** at Cataby, 150km north of Perth, Western Australia ("Cataby Project").

Under the scope of works, SIMPEC was engaged to fulfil a key Mechanical, Electrical and Communications contract in the construction of accommodation facilities for use by Iluka and **Tronox Limited** at the Cataby Project. Once completed, the facilities will cater for ~400 employees over 2 sites.

The procurement phase of this project has been completed and onsite installation commenced on 28 January 2018. This phase is progressing extremely well with underground cabling at an advanced stage. SIMPEC is working well with the contract principal Grounded Construction Pty Ltd (Grounded) and looks forward to developing a mutually beneficial partnership with Grounded.

Following on from the Grounded / Iluka contract, SIMPEC has since been awarded further minor procurement and services works by tier 1 clients including BHP and MSP Engineering. At the Talison Lithium Mine in Greenbushes, 90km south-east of the Port of Bunbury, Western Australia, MSP Engineering has engaged SIMPEC to supply high voltage and fibre optic cables.

Outlook

In tandem with these efforts, the SIMPEC team is actively tendering for projects. Tenders in excess of \$100M have been submitted in the last quarter - a significant value given the small team involved. Of note is the acceptance of an EOI with a major commodities exporter. The corresponding tendering process is set to commence next month. Updates on new contract awards will be provided to the market in due course.

The SIMPEC team 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.

WSI Director Bert Mondello noted:

"SIMPEC is beginning to gain traction in the market. Completion of its first few contracts will fast track SIMPEC's ambitions. We expect that coming news flow will be pleasing to all WestStar stakeholders."

For further information please contact:

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About WestStar

WestStar Industrial Limited (ASX: WSI) is an Australian construction company with a unique offering comprised of two specialist operating businesses: Precast Australia Pty Ltd (Precast Australia) and SIMPEC Pty Ltd (SIMPEC). Precast Australia is an established name in the concrete fabrication industry with a portfolio of Tier 1 clients and projects. SIMPEC is an emerging services company with expertise in the delivery of structural, instrumental, mechanical, piping, electrical and construction works. Together, the WestStar Group offers a comprehensive suite of capabilities to the resources, energy, civil infrastructure and urban development industries.

About SIMPEC

SIMPEC Pty Ltd is a construction contractor with specialist experience in both Structural, Mechanical and Piping (SMP), and Electrical and Instrumentation (E&I) works. 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