



ASX ANNOUNCEMENT
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VEEM GYROSTABILIZER UPDATE

Highlights

- **Technical Evaluation Program to commence with Damen Shipyards**
- **Release of new upgraded VG120 and VG145 Gyrostabilizers**
- **Repeat gyro order from Van de Valk Shipyards**

Marine propulsion and gyro stabilization company, VEEM Ltd (ASX: VEE) ('VEEM' or 'the Company'), is pleased to announce the creation of a technical evaluation program between Damen Shipyards("Damen") of the Netherlands and VEEM.

The program will involve taking multiple model VG260SD VEEM gyro stabilizers and fitting them to a 50m supply boat hull in the Netherlands for trial to be evaluated by Damen management and potential users of Damen ships. Successful trials will lead to the supply of a VG1000SD for Damen Shipyards latest high-speed crew transfer boat, the Fast Crew Supplier (FCS) 7011. The VG1000SD is VEEM's largest gyro stabilizer model which enters production in April of this year.

The program follows months of discussions and visits dating back to July 2017, when representatives from Damen visited VEEM's Western Australian facility. The purpose of the visit was to discuss the potential application of the VEEM gyro stabilizers, marine propellers and integrated drive shaft-lines for a range of Damen vessel platforms including the new FCS7011 noted above.

Damen is an international shipyard group with shipyards operating across the globe, and partner shipbuilders further extending the international reach. Working with its partners, Damen constructs vessels from its portfolio and both Damen and non-Damen yards all over the world. In 2017 Damen built over 200 vessels for almost every market sector. For VEEM, a strengthening relationship with Damen would represent a tremendous step forward in achieving its vision in the gyro stabilization business.

New Upgraded VG120 and VG145

VEEM is also pleased to announce the release of the new upgraded version of the VG120, and the VG145 gyro stabilizers.

Continual research, development and testing, has provided an opportunity to significantly enhance the capability of the existing VG120 and VG145. This has led to development, and now release, of the new VEEM VG120SD and the VG145SD. These models are designated the 'Super Duty range' and are much heavier duty than any other gyro on the market.

The new VG120SD features 52kN.m.s (kilonewtons per meter/second) (a 35% increase) of angular momentum and retains 120 kN.m of torque. The new VG145SD features 70kN.m.s, is a very exciting development and still retains 145kN.m of torque but increases the angular momentum from 48kN.m.s to 70kN.m.s. An increase of angular momentum essentially means that these up rated gyros provide increased roll reduction to a vessel.

These significant increases in power still come in the same size package with all of the quality, durability and serviceability advantages of the existing VEEM Gyro range.

Repeat order with Van de Valk Shipyards

VEEM is pleased to announce that Van de Valk Shipyards, a high quality super yacht constructor in the Netherlands, has placed another order with VEEM for a gyro stabilizer for their next project. This is a particularly significant event as it represents customer satisfaction from the not only the shipbuilder, but also the yacht owner. This unit will be supplied late this calendar year from VEEM inventories.



Artist rendering of the Van de Valk vessel to be fitted with VEEM gyro.

ENDS

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About VEEM

VEEM Limited is an Australian based high-technology marine propulsion and stabilization system manufacturer serving the global luxury motor yacht, military, fast ferry, commercial workboat and tournament fishing boat industries.

Operating from a 10500m² facility in Perth, Western Australia since 1968, the company was responsible for the very successful patented Interceptor propeller technology that allows the effective pitch of VEEM propellers to be altered, without even slipping the vessel.

In addition to its product offerings, VEEM also manufactures stabilizing fins for the US Navy LCS vessel program, Austal Ships fast ferries, and both the Australian Naval and Customs Service Patrol Boat fleets.

The VEEM Gyro is the company's most recent innovative marine product development and can be viewed on the company's product website at www.veemgyro.com.