



ASX RELEASE

Thursday, 15<sup>th</sup> November 2018

## Market Update - New Contract Awards and Extensions

### Highlights:

- **New contracts and extensions to existing valued at \$30M**
- **FY19 forecast revenue \$130M**
- **Additional works across all three business units – Minerals Processing, Non-Process Infrastructure and Energy**
- **Further demonstrates diversification and growth within each division**

Primero Group Limited (Primero) is pleased to provide a general business update regarding the award of new contracts and extensions of existing contract works. Together, these new contracts reflect a material increase in current contracted work in hand and increased revenue expected to occur within the current financial year.



### Non-Process Infrastructure

Primero has secured its first major contract on BHP Billiton Limited's (ASX:BHP) South Flank iron ore project in Western Australia with the award of a sub-contract with Clough Limited's (ASX:CLO) Minerals business unit for the design, procurement, construction and commissioning (EPC) of the South Flank fuel facilities. The contract also represents the first major award in a developing relationship with Clough Ltd and begins immediately with conclusion in 2020.

The award of the South Flank works is the first contract Primero has secured with the major greenfield and brownfield projects currently being undertaken by the three major iron ore producers in the Pilbara over the coming years. Using its inhouse design and construction capability, Primero has successfully delivered projects for [all three] companies in the past [five] years and is well positioned to win additional future works.



### Minerals Processing

Primero's Minerals Processing division has secured new contract awards and extensions for various clients in several commodities, including precious, base and industrial minerals. These include of note ongoing works with Resolute Mining Limited (ASX:RSG) at its Syama project in Mali, West Africa and AngloGold Ashanti and Independence Group's (ASX:IGO) Tropicana gold mine in Western Australia.

Existing lithium producing client Tawana Resources Limited (ASX:TAW) has awarded Primero the Front End Engineering Design (FEED) component for their Stage 2 expansion project at Bald Hill. The contract is a follow-on from successful Stage



1 delivery by Primero and represent the early design phase works which have the potential to convert into an EPC contract for the delivery phase of the project.



### Energy

Additional works as a result of increased scope involved in the contracted works on the Barker Inlet Power Station will increase revenue to be included in FY19. Works are ongoing with significant planning and activities underway to ensure delivery by the contracted milestones. To date Primero has installed over 1000 concrete foundation piles and is progressing well with the in-ground services and civil works on site, preparing for the structural, mechanical and electrical works to commence. The site will employ in excess of 200 trades and labour at peak mostly sourced from the local Adelaide community.

### Outlook

During the period since last market update (August 2018) tendering activity has increased across the business divisions buoyed by continued activity growth in all three sectors – Minerals, Energy and Non-Process Infrastructure. Further qualified opportunities are presenting as a result across various geographies and commodities demonstrating the flexible nature of the business' core services and competencies. The strategic nature of these contract wins, and extensions with existing operational clients also provide a strong platform for further revenue growth.

**Managing Director Cameron Henry commented:** *'The combined new contracts and extension of existing work demonstrate Primero's recognised technical expertise in the 'turnkey' delivery of technically challenging multi-discipline EPC projects across the resources and energy sectors and strengthens our growing reputation for being a supplier of choice for sub \$100M project delivery. Our truly vertically integrated business model separates us from a lot of our competitors and our continued demonstration of project wins and delivery reflects our growing profile with new clients and new geographies in line with our strategic business plan.'*

*As a publicly listed company our opportunities are increasing and our strength as a business to deliver our diversified business model continues to grow. We look forward to further updates and contract wins as the year progresses.'*

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## ABOUT PRIMERO

Primero provides engineering design, construction and operational services to the minerals, energy and infrastructure sectors. Primero has specialist expertise in project implementation and delivery with a complementary service offering comprising civil, structural, mechanical and electrical solutions. Primero provides these services to a diverse client base, ranging from mid-sized companies through to international mining and energy houses.

