



ASX RELEASE

28 November 2018

For immediate release to the market

Update – Eastern Goldfields Limited

GR Engineering Services Limited (ASX:GNG) (**GR Engineering**) refers to its announcement of 4 October 2018 confirming that it had agreed with Eastern Goldfields Limited (**Eastern Goldfields**) and others to vary the terms of the settlement deed in relation to the Davyhurst Gold Project refurbishment contract (**Settlement Deed**).

Under the Settlement Deed, as varied, the last instalment of the \$8.25 million settlement sum is due to be paid on 30 November 2018. GR Engineering notes the announcement by Eastern Goldfields Limited today that its recapitalisation proposal will not proceed and that Eastern Goldfields is considering alternative transactions, which may include Eastern Goldfields entering into voluntary administration.

At this stage, GR Engineering has not received any advice from Eastern Goldfields on its capacity to fulfil its remaining obligations to pay the balance of \$7.25 million which remains due under the Settlement Deed. GR Engineering will continue to inform the market as it receives clarity in relation to this matter.

Ends

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GR Engineering Services Limited (ASX:GNG) is an ASX listed engineering design and construction contractor specialising in fixed price engineering design and construction services to the resources and mineral processing industry.

GR Engineering has successfully completed the engineering design and construction of projects for a diverse range of clients, including global mining houses, mid-tier miners and junior developers undertaking their first project. Traditionally an EPC contractor, GR Engineering also has the ability to contract through a variety of models, including EPCM and hybrid contracting arrangements.

GR Engineering also has a long history of providing a diverse range of process engineering consulting services, including feasibility study preparation and management, process design and peer review engagements. These services have been delivered for projects globally and play a key role in delivering organic growth opportunities through design and construction project execution.

The Company also has a presence in the hydrocarbons industry via its wholly owned subsidiary, Upstream Production Solutions. Upstream Production Solutions is a leading provider of operations and maintenance and well management services to the Australian and South East Asian oil and gas industry.

As a group, GR Engineering employs more than 300 professional and support staff throughout Australia and internationally, in addition to a direct construction workforce and subcontracted personnel.