

3 August 2020

Company Announcements
Australian Securities Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000
AUSTRALIA

Dear Sir / Madam

RE: Notification of filing of Writ of Summons

Please find attached a copy of an announcement to be issued today by Monadelphous Group Limited.

This announcement has been authorised for release by the Board of Monadelphous Group Limited.

Authorised by



Philip Trueman
Company Secretary

ASX RELEASE

3 August 2020

NOTIFICATION OF FILING OF WRIT OF SUMMONS

Engineering company Monadelphous Group Limited (ASX:MND) ("Monadelphous") announces that it was notified by Rio Tinto Services Limited (Rio Tinto) on Friday afternoon (WST), 31 July 2020, that Rio Tinto had filed a Writ of Summons on 30 July 2020 in the Supreme Court of Western Australia against one of Monadelphous' wholly owned subsidiaries, Monadelphous Engineering Associates Pty Ltd (MEA). The claim has been made by Robe River Mining Co Pty Ltd and Pilbara Iron Pty Ltd (on behalf of the Robe River joint venture) in respect of a fire incident which occurred on 10 January 2019 at Rio Tinto's iron ore processing facility at Cape Lambert, Western Australia. The writ has not yet been served on MEA. Rio Tinto has invited discussions to occur prior to service of the writ, which MEA and its insurers intend to pursue.

MEA had been performing maintenance shutdown services prior to the fire commencing, and Rio Tinto has alleged that MEA was in breach of the maintenance contract, thereby causing the fire. Although the writ does not specify any damages, Rio Tinto has separately informed MEA that its claim is for AUD493m in loss and damage. This amount comprises AUD35m in material damage costs associated with the re-construction of the Sinter Fines processing facility, and AUD458m for a temporary operating solution and business interruption losses arising from the alleged inability to process iron ore during the period of reconstruction of the facility.

MEA denies Rio Tinto's allegations and claimed losses (which MEA considers have not been substantiated). Further, the contract between Rio Tinto and MEA, which governed the maintenance work performed by MEA, contains exclusions and limitations of liability which will be relied upon by MEA in defence of the claim. MEA has public liability insurance in place with a total limit of \$150m which provides cover for property damage claims and associated losses. Monadelphous is unaware of any reason why the insurance policies would not respond to indemnify MEA for liability it may have to Rio Tinto. Along with its insurers and their legal representatives, MEA intends to fully defend Rio Tinto's legal action.

Monadelphous highly values its long-term business relationship with Rio Tinto, and is proud of its track record providing maintenance and construction solutions to this very important customer for over two decades. The Company remains committed to working with Rio Tinto to seek a satisfactory outcome in this matter.

Further Information

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About Monadelphous

Monadelphous Group Limited (ASX: MND) is a leading Australian engineering group providing construction, maintenance and industrial services to the resources, energy and infrastructure sectors. The Company has two operating divisions – Engineering Construction, providing large-scale multidisciplinary project management and construction services, and Maintenance and Industrial Services, specialising in the planning, management and execution of mechanical and electrical maintenance services, shutdowns, fixed plant maintenance services and sustaining capital works.



Monadelphous is headquartered in Perth, Western Australia, with a major office in Brisbane, Queensland, and offices, projects, facilities and workshops across Australia and in New Zealand, China, Mongolia, Papua New Guinea, Chile and the Philippines. Please visit www.monadelphous.com.au for further information.