

**ASX ANNOUNCEMENT****6 JANUARY 2015**

VALMEC COMPLETES ACQUISITION OF EXTERRAN (AUSTRALIA) PTY LTD

Further to its announcement dated 17 December 2014, Valmec Limited (ASX: VMX) is pleased to advise that it has now completed the acquisition of Exterran (Australia) Pty Ltd (EAPL), the Australian subsidiary of Exterran, a US global leader in full-service natural gas compression.

EAPL has now also changed its name to Valmec Services Pty Ltd and will continue to provide field and workshop maintenance, spare parts, engineering and operations support to the power, oil and gas sectors.

Key Investment Highlights

- EAPL was established in 1999 and has offices and facilities in Perth, Roma, Brisbane and Dalby with operations also in South Australia. It employs approximately 50 staff.
- The transaction includes:
 - Exclusive arrangements with Exterran Energy Solutions LP. for the future sale and lease of its compression equipment in Australia
 - A Technical Services Agreement for the start-up, commissioning and support of future compression installations
 - A Parts Supply Agreement to secure the supply chain of OEM parts for after-market sales and support.
- EAPL has long-term customer relationships with Tier 1 gas producers and shippers such as Chevron, Santos, Arrow Energy, Origin and APA Group.
- Total consideration is 100% cash paid on completion at a price of less than a 2x multiple of EAPL's forecasted FY15 EBITDA (before synergies). Working capital adjustment payable in January 2015.
- Forecast annual revenues of approximately \$21 million are supported by several long term service agreements.
- Release of specific details of the consideration payable is restricted by a confidentiality undertaking within the Share Purchase Agreement.
- Acquisition bolsters Valmec's existing business with immediate access to new service, maintenance and parts recurring sales mix.



Commenting on the acquisition, Valmec Managing Director Steve Dropulich said:

"We are delighted to welcome the executives and staff of EAPL to the Valmec Group and look forward to also working closely with the U.S. based Exterran Group, which is widely regarded as the world's number one provider in this sector.

"Valmec is now able to bring a full sales and service proposition to not only the impressive client base already established by EAPL, but to the Australian market as a whole.

"This acquisition and the agreements executed with Exterran are strategically aligned with our mission of delivering value to our clients across every aspect of our operations and the project lifecycle."

- Ends -

About VALMEC

Valmec is an Australian energy and multi-discipline services group providing specialised packaged equipment, construction, maintenance, commissioning and integrity maintenance services to the resources, energy and infrastructure sectors.

Founded by an experienced team of EPC and contracting professionals each with more than 25 years in the Australian gas industry, Valmec's focus is on the delivery of innovative project solutions, superior service and faster time-to-market options than the competition.

Valmec employs approximately 180 project and support personnel, operating out of modern offices and fully equipped workshop facilities in Western Australia and Queensland.

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