

ASX ANNOUNCEMENT**10 SEPTEMBER 2015**

TRADING UPDATE AND EARNINGS GUIDANCE

Energy and Infrastructure Services Group, VALMEC Limited ('VALMEC') (ASX: VMX) provides a trading update and earning guidance for the half year ending 31 December 2015. ('1H 2016')

With an order book underpinning the half year, Valmec expects 1H 2016 revenues of between \$30 and \$33 million with an Earnings before Interest, Tax and Depreciation and Amortisation (EBITDA) margin in the range of 6% to 8%.

Additionally, Valmec expects to utilise the benefits of its unused tax losses in respect of its entire profit for the period.

Outlook

Valmec expects that its target markets, which include smaller energy and infrastructure "stay in business" EPC projects, service and maintenance contracts and product delivery, will remain solid over the short to medium term.

Tendering continues on a number of oil and gas, resources and infrastructure projects across Australia and, with major CSG to LNG projects expected to come online over the next two years, Valmec is well positioned to benefit from the expected growth in operations support, maintenance and upstream infrastructure works.

The outlook is further supported by:

- a robust opportunity pipeline of approximately \$650 million of new projects due to be delivered over the next three years;
- expanded earnings contributions from our services and operations business;
- the ongoing development of our resources and government infrastructure services capabilities and order book; and
- a diversity of clients including top and mid-tier oil and gas producers, mining explorers, gas infrastructure owners and operators, government agencies and private entities,

Subject to no significant delays in project go-aheads, Valmec expects the second half of 2016 to deliver approximately 25% greater revenues than H1 2016 with an incremental increase to EBITDA as a result of increased scale and enhanced cost and productivity gains.

Valmec retains a clear focus on increasing scale in its operations over the next three years whilst delivering a sustainable level of profitability. To assist its growth objectives, Valmec also continues to work closely with its independent advisors in exploring various acquisition and partnership strategies with the overriding objective of increasing shareholder value.



Dividend

Valmec is pleased to announce the continuation of its dividend program and the declaration of a final dividend for FY 2015.

The Company's Board has declared a final dividend of 0.5c per share (fully franked). The dividend will be paid to shareholders on 30 October 2015, with a record date of 30 September 2015.

In conjunction with the 1H 2015 dividend of 0.5c per share, this makes a total dividend of 1c per share for the full year.

About VALMEC

Valmec is a diversified Australian energy and infrastructure 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 150 project and support personnel, operating out of modern offices and fully equipped workshop facilities in Western Australia, South Australia and Queensland.

Visit Valmec at www.valmec.com.au

For further information please contact:

Steve Dropulich
Managing Director
Ph 08 9266 8888

Harry Singh
Chief Financial Officer
Ph 08 9266 8888

David Ikin
Professional Public Relations
Ph 08 9388 0944 / 0408 438 772
david.ikin@ppr.com.au

Important Notice Regarding Forward-Looking Statements

This Announcement may contain forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.