

ASX RELEASE

7 July 2014

ASX Market Announcements
20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam

Update on Mining Services Contract at Cockatoo Island

Further to Pluton Resources Limited's (**Pluton**) (ASX:PLV) ASX announcements regarding its proposed further capital raising initiatives (**Rights Issue**), the most recent of which was released on 4 July 2014, Watpac Limited (**Watpac** or **Company**) confirms that it has agreed to further amend its contract with Pluton for the provision of mining services at the Cockatoo Island project in WA (**Mining Services Contract**).

As announced by Pluton on 22 April 2014, Watpac and Pluton had amended the Mining Services Contract to agree to a revised payment schedule for certain of Watpac's past services.

Under this latest contract amendment, Watpac and Pluton have agreed to (amongst other things) further vary the revised payment schedule to more closely align with the expected date of allotment of securities under the Rights Issue. While Watpac is supportive of the Rights Issue process, under the Mining Services Contract (as amended) Watpac reserves the right to take any action under the contract that it deems appropriate if Pluton does not comply with its obligations. As mining contractor, Watpac has no ability to assess, and is in no position to support, the ongoing viability of either the Cockatoo Island project or Pluton beyond its contractual obligations.

The Board has previously indicated that Watpac's anticipated FY14 underlying financial result would exceed the underlying operating profit after tax from continuing operations of \$17.2M recognised in the 30 June 2013 financial year. Assuming the amended Mining Services Contract is performed in accordance with its terms, the Board remains confident this profit level will be achieved.

Yours sincerely,

WATPAC LIMITED



Mark Baker
COMPANY SECRETARY

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