

# ASX RELEASE

24 March 2015

ASX Market Announcements  
20 Bridge Street  
SYDNEY NSW 2000

## Update on Pluton Resources Limited and Mining Services Contract at Cockatoo Island

Further to various ASX announcements made over the course of November 2014, Watpac Limited (**Watpac**) wishes to advise that on 23 March 2015 control of Pluton Resources Limited (**Pluton**) was handed back to the company's management, following the retirement of Receivers and Managers from KordaMentha by Pluton's first ranking secured creditor, General Nice Resources (Hong Kong) Limited (**GNR**).

Watpac has provided mining services for Pluton at its Cockatoo Island mine in WA since November 2013, with works having continued on a limited scope basis following KordaMentha's appointment on 4 November 2014. Watpac is pleased that Pluton has the opportunity to once again commence normal operations at Cockatoo Island and the company is back under the control of its own management.

Commenting on the end of the receivership, Watpac Managing Director Martin Monro said he is delighted that Pluton is back under the control of its own management.

"This is very positive news for the company and for the Cockatoo Island operation, which offers some of the highest quality iron ore available to the market," Mr Monro said.

"The Cockatoo Island project is an important contract for Watpac and throughout the receivership period we have continued to support Pluton, both financially and through the provision of continuous limited scope mining services."

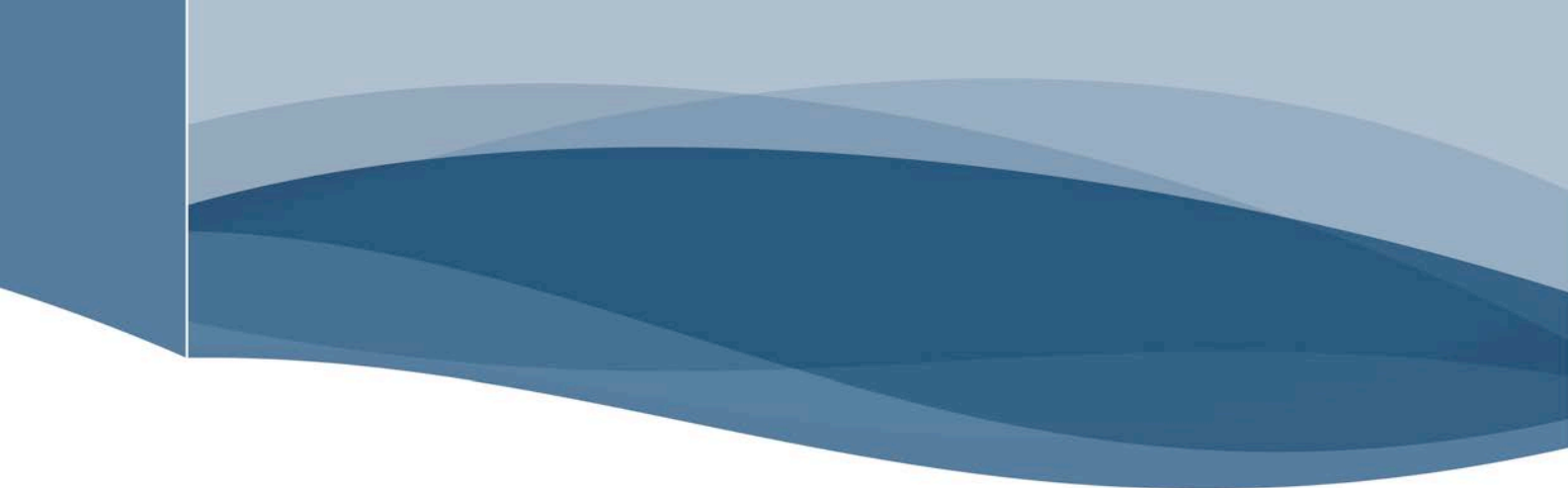
As has been previously advised, Watpac had a substantial entitlement owing from Pluton when the company entered receivership on 31 October 2014. After working closely with representatives from GNR in recent months on the development of a possible future operating plan, subject to certain conditions, one being GNR's continued support of Pluton, Watpac has agreed not to enforce any action to recover any amounts owing for a period of up to two months. Watpac will work closely with Pluton management and representatives from GNR over this time in negotiating a suitable agreement for how and under what terms the outstanding pre-receivership debts can be repaid.

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With no revenue having been recognised to date Watpac has no reliance on the recovery of any of this pre-receivership entitlement in its 30 June 2015 financial year profit forecasts. Certain other amounts remain payable from work completed during the receivership period under KordaMentha's instruction, however having been undertaken on a fully indemnified basis, Watpac is satisfied that these are fully recoverable and as such have been brought to account as earned.

Watpac retains over a 5% shareholding in the company and remains committed to working closely with Pluton and its management team over the foreseeable future.

"As a substantial shareholder, we remain committed to working closely with Pluton and its management team, as it looks to create a long-term sustainable operating model at Cockatoo Island and future value for all of its stakeholders," Mr Monroe said.

"We are pleased to be able to provide ongoing mining services at Cockatoo Island and look forward to what we hope will be many future successes for Pluton."

Watpac will continue to keep the market informed of any further material developments on this matter.

**For further information:** Investor Relations – Mark Baker, Chief Financial Officer on 07 3251 6442.

Media – Amanda Campbell, Corporate Affairs Manager on 07 3251 6453 or 0402 023 015.

Watpac is a leading, national construction and mining services contracting group. We have been listed on the Australian Securities Exchange since 1985 and have offices in Brisbane, Townsville, Sydney, Melbourne, Adelaide, Perth and Port Macquarie. More information is available at [www.watpac.com.au](http://www.watpac.com.au).