

ASX RELEASE

14 May 2015

ASX Market Announcements
20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam

Watpac completes refinance of plant and equipment assets

In accordance with listing rule 3.1, Watpac Limited ('Watpac' or 'Group') advises it has successfully completed a refinancing of the Group's plant & equipment assets deployed in the Group's Mining & Civil business ('Refinance' or 'Transaction').

The Transaction involved the repayment of approximately \$32 million in plant and equipment funding previously provided on a bilateral basis by ANZ and the establishment of a new \$23 million four-year amortising Chattel Mortgage facility with a major Australian corporate financial services provider.

The Refinance aligns with the Group's previously stated strategy to adopt a more appropriate capital funding structure for the Group, through the creation of a more consistent and extended equipment finance repayment profile, reduced funding costs and a further de-gearing of the Group's Mining & Civil business.

A press release is attached.

Yours sincerely,

WATPAC LIMITED



Mark Baker
COMPANY SECRETARY

WATPAC LIMITED
ABN 98 010 562 562

Level 1, 12 Commercial Road
Newstead QLD 4006
PO Box 2053
Fortitude Valley QLD 4006

Phone 07 3251 6300
Fax 07 3251 6393
Web www.watpac.com.au



PRESS RELEASE

14 May 2015

Watpac completes refinance of plant and equipment assets

Watpac Limited ('Watpac' or 'Group') today announced it has successfully completed a refinancing of the Group's plant & equipment assets deployed in the Group's Mining & Civil business ('Refinance' or 'Transaction').

The Transaction involved the repayment of approximately \$32 million in plant and equipment funding previously provided on a bilateral basis by ANZ and the establishment of a new \$23 million four-year amortising Chattel Mortgage facility with a major Australian corporate financial services provider.

The Refinance aligns with the Group's previously stated strategy to adopt a more appropriate capital funding structure for the Group, through the creation of a more consistent and extended equipment finance repayment profile, reduced funding costs and a further de-gearing of the Group's Mining & Civil business.

Watpac's on-balance sheet equipment finance debt now totals approximately \$33 million, which Watpac Limited Managing Director Martin Monro said represents less than 25% of the current carrying value of Group's Mining & Civil plant assets.

"The debt level and the associated new funding facilities will ensure the Civil & Mining business remains self-sufficient from a debt servicing perspective, notwithstanding the current challenging conditions affecting the resource sector," Mr Monro said.

"Watpac remains successful in this market and our highly capable Mining & Civil business continues to win work such as the recently announced \$17 million contract for Ramelius Resources at their Kathleen Valley Gold Project in Western Australia.

"The Refinance effectively provides for a clear separation between Watpac's syndicated bank guarantee facility which supports the Group's Construction businesses and the equipment finance borrowings attributable to the Mining & Civil business."

Watpac's banking syndicate, which comprises major domestic and international financiers ANZ, HSBC, Bank of Queensland and BNP Paribas, currently provides the Group with a \$100 million bank guarantee facility and a \$25 million revolving credit facility.

The bank guarantee facility is currently drawn to approximately \$80 million, with significant headroom therefore remaining for the issuance of performance security on new Construction projects. The revolving credit facility is currently unutilised but the full \$25 million remains available for use.

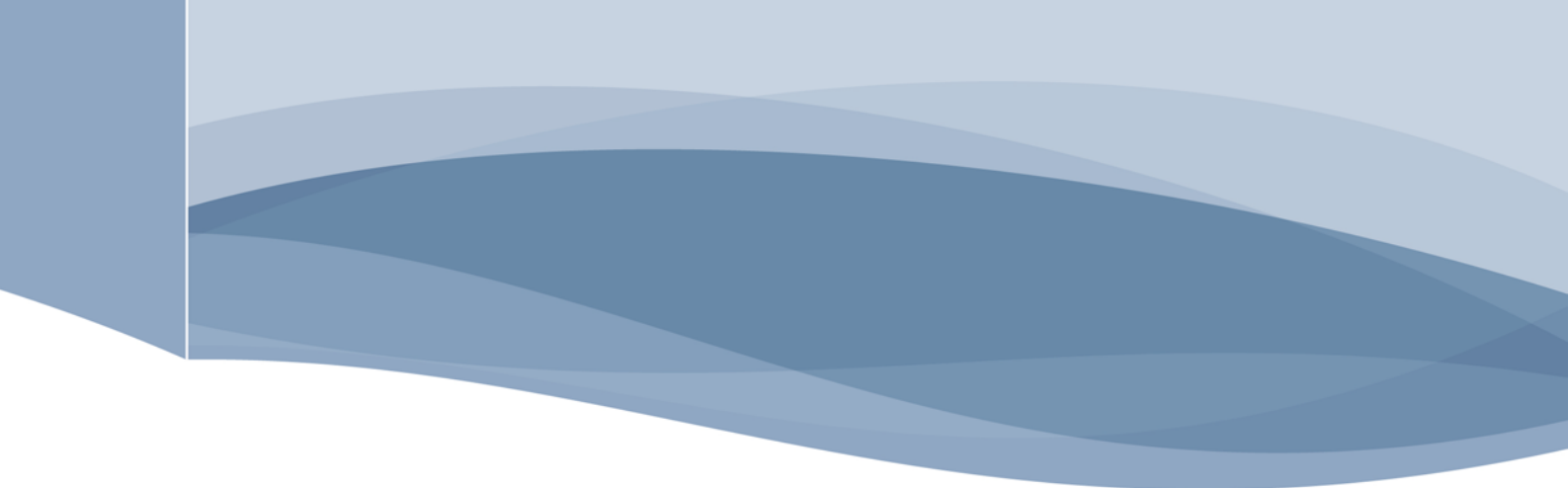
"As we have previously highlighted, Watpac remains committed to ensuring the Group operates the most effective and efficient capital funding structure given its current business operations and future strategies," Mr Monro said.

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ABN 98 010 562 562

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“The Refinance represents the execution of one of these important capital management strategies.”

Watpac has a strong reputation as a leading mining and civil services contractor, with the Group currently providing mining services at Hanking Gold’s Southern Cross gold operations, Pluton Resources’ Cockatoo Island iron ore project and Iluka Resources’ Tutunup South mineral sands mine, as well as upgrade works for the Water Corporation of WA at Logue Brook Dam and the construction of a new Tailings Storage Facility at Sirius Resources’ Nova deposit.

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For further information: Media - Amanda Campbell, Corporate Affairs Manager on 07 3251 6453 or 0402 023 015.
Investor Relations - Mark Baker, Chief Financial Officer on 07 3251 6442.

Note to editors: Watpac is a leading national construction and mining contracting group with operations in all mainland States and Territories. We have been listed on the Australian Securities Exchange since 1985 and have offices in Brisbane, Sydney, Melbourne, Adelaide, Perth, Townsville and Port Macquarie. More information is available at www.watpac.com.au.

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