

20th April 2016

ASX announcement

Market Update & Board Changes

Leading underground coal contractor Mastermyne Group Limited (ASX Code: MYE) (“Mastermyne” or “the Company”) is announcing today further action to ensure the company retains a strong financial foundation and its reputation as a leading supplier of contract services. Continuing weakness in our customers operations has put relentless pressure on revenue and margins across the mining services sector. Mastermyne has not been immune to these pressures and has worked tirelessly to reduce their impact.

Unaudited results from the most recent quarter were weaker than the first half result. Revenue for the quarter was \$38 million resulting in a break even EBITDA. It's unlikely that substantial improvement will be seen during the 4th quarter of the financial year. Despite these challenges the Company has maintained its strong balance sheet and reduced its net debt position during the quarter. Our unaudited net debt position is now \$10.2 million a reduction of \$3.8 million during the quarter. Notwithstanding this strong balance sheet position, Mastermyne will immediately undertake a review of overhead costs and non-core business units. Results of this review will be announced once completed.

Given the need to reduce costs, the Board of Mastermyne has decided on actions to lower Board related costs. Darren Hamblin, a Company Founder and Non-Executive Director, has resigned with immediate effect. Darren said "My decision to resign is motivated by a desire to effect immediate cost reduction for the Company. I have always put the Mastermyne business interests ahead of my own and I see this decision as in the best interests of the Company. I plan to remain a substantial shareholder and will retain a close interest in the performance of Mastermyne."

Company Chairman, Colin Bloomfield said "Darren's actions demonstrate the character of a person who has built a tremendous business from nothing. His long term vision and leadership are a key reason the company has grown to be a leader in its field. The Board of Mastermyne thanks Darren for his tireless efforts over the last twenty years."

The remaining Non-Executive Directors of Mastermyne have agreed to reduce their individual salaries by 20 percent from the headline rates until market conditions improve. The reduction in salaries and the resignations of Darren Hamblin and James Wentworth plus other efficiencies will reduce Board related costs by about 50 percent.

These actions and the outcomes of our review will ensure the continued financial strength of Mastermyne and its position as a leading provider of contract services.

Further information:

Chris Kneipp – Company Secretary: (07) 4963 0400

Or visit www.mastermyne.com.au

About Mastermyne

Mastermyne Group Limited (ASX:MYE) was established in 1996 and is a leading provider of specialised services to the Australian coal mining industry. Mastermyne listed on the ASX on 7 May 2010.

It has two operating divisions, Mastermyne Mining (underground roadway development, installation of conveyors and longwall relocation), Mastertec Products and Services (access solutions (scaffolding & rigging), protective coatings, pipeline services, structural, mechanical, electrical & line boring, fabrication & machining)

Based in Mackay Queensland, Mastermyne has operations in Queensland's Bowen Basin and the Illawarra and Hunter Valley regions in New South Wales.