

**ASX ANNOUNCEMENT****7 July 2016**

TRADING UPDATE AND EARNINGS GUIDANCE

VALMEC Limited ('VALMEC') (ASX: VMX) provides further earnings guidance for the financial year ending 30 June 2016. ('FY 2016')

VMX expects to report FY2016 underlying earnings before interest, tax and depreciation (EBITDA) of approximately \$3.1 million. This guidance remains subject to audit review with audited financial accounts expected to be finalised in late August 2016.

Reiterating its previous comments to the market, record tendering activities on new service, minor and major capital works across all of Valmec's markets, underpin the Company's expectations of both a stronger performance and expanded order book during FY17.

Accordingly, the Board has resolved to suspend future dividend payments until further notice, electing rather to retain capital to assist in the Company's current East Coast expansion activities.

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 180 project and support personnel, operating out of modern offices and fully equipped workshop facilities in Western Australia and Queensland.

Visit Valmec at www.valmec.com.au

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