



19 September 2013

Dugald River Project Update

Forge Group Ltd (ASX:FGE) ("Forge Group") notes the announcement today by MMG Limited ("MMG") that it has taken the decision to terminate the engineering, procurement and construction (EPC) contract for its Dugald River processing facility in Queensland.

MMG is a valued customer of Forge Group and they have a solid portfolio of producing assets and projects in the development phase. Forge Group looks forward to maintaining this strong partnership well into the future.

Forge Group can confirm that this decision by MMG will have minimal impact on the company's revenue and earnings in FY14 as most of the work was to be undertaken in FY15.

Forge Group's Managing Director Mr David Simpson commented: "Whilst this decision is regrettable, Forge Group has been very successful in strengthening its work in hand with almost \$1.6 billion worth of new projects awarded in the last month. This underpins our confidence for FY14 and into FY15.

"Bidding activity across all our markets remains healthy and we look forward to updating our shareholders in the coming weeks on our progress."

ENDS



About Forge Group

Headquartered in Perth, Western Australia, Forge Group Ltd (ASX: FGE) is a multidisciplinary Engineering, Procurement and Construction (EPC) and Asset Management service provider delivering end-to-end EPC turnkey solutions to the power and infrastructure, minerals and resources, and oil and gas sectors in Australia, Asia, Africa and North America.

With an experienced workforce of approximately 2,700, Forge Group services some of the world's leading resources, energy and utilities sector clients including BHP Billiton, Rio Tinto, Peabody Energy, ArcelorMittal, Chevron, MCC and AngloGold Ashanti.

With four fully-integrated business units, Forge Group's capabilities encompass state-of-the-art open and combined power stations, intuitive process solutions for the minerals, coal and resources industry, civil, mechanical, electrical and non-process solutions to the construction industry, and world-leading processing technology for the clean coal sector. These capabilities are supported by asset management services to ensure minimum lifecycle costs.

Forge Group Minerals & Resources provides specialist engineering; process design; project management services including feasibility studies, front-end engineering design, EPC contract execution; clean coal technology and turnkey project solutions.

Forge Group Power provides turnkey power generation solutions to clients in the resources, oil & gas and infrastructure sectors in Australia and internationally. It specialises in Gas Turbine Power Plants, providing solutions in open or combined cycle configurations to meet client specifications.

Forge Group Construction provides a full range of multidiscipline construction and engineering solutions, including civil & concrete; structural, mechanical, piping & tanks; electrical & instrumentation; and building services. It services clients in the resources and oil & gas sectors in Australia and Africa, where it is particularly active in Ghana and Sierra Leone.

Forge Group Asset Management complements the group services providing operation and maintenance, sustaining capital works and asset management services in all sectors across multiple geographies.

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