

11 July 2016

ASX Media Release

2016 Second Quarter Trading Update

Following the execution on 14 June 2016 of a Scheme Implementation Agreement with Resource Capital Fund VI L.P. (RCF) in relation to the proposed privatisation of Ausenco by way of a scheme of arrangement, the Board now provides shareholders with a trading update for the second quarter of 2016.

Second quarter performance was adversely impacted by project delays, extended payment terms imposed by some clients and internal business restructuring costs. As a result, the unaudited 2016 second quarter revenue of \$44 million was below the Company's expectations for the period. Underlying earnings for the quarter reflected the continuing soft economic conditions in the global resources sector.

Accordingly, the Board has revised its guidance for the 2016 Financial Year and expects 2016 revenues to reduce to a range between \$230 million and \$240 million.

These delays and the economic conditions in the global resources sector have also affected the five year outlook for the Company and therefore the likely recoverability of the Company's goodwill balances. As a result, the Company expects to make a number of non-cash adjustments to profit, including impairment of goodwill balances, impairment to deferred tax asset balances and the creation of further onerous lease provisions. These non-cash adjustments are expected to be between \$40 million and \$50 million for the Half Year.

As a consequence of the trading performance, a further \$10 million has been drawn on the cash facility which is provided by RCF to support working capital requirements taking the total amount drawn under the facility to \$20 million at 11 July, 2016.

While trading conditions continued to be challenging during the quarter, highlights include the commencement of a \$91 million EPC contract with Atlantic Gold Corporation to deliver the Moose River Consolidated Gold Project in Nova Scotia, Canada and the award of the Isaac Plains coal mine contract operations in Queensland.

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About Ausenco

Ausenco is a global diversified engineering, construction and project management company providing services in Minerals & Metals, Process Infrastructure, Program Management, Environment & Sustainability and Oil & Gas. We deliver new and better ways to add value to our clients' projects no matter how demanding and we deliver results in some of the world's most challenging environments. Listed on the ASX in 2006, our growth strategy is focussed on sector, solution and geographic expansion. We operate from 28 offices in 18 countries.