

ANNUAL GENERAL MEETING

25 November 2013

Chairman's Commentary

Ladies and Gentlemen,

Thank you for taking time to join us for this year's Annual General Meeting and welcome to you all.

Introduction

Today I want to focus on three items

1. A review of last year's performance and actions taken in response to market changes
2. The current situation and
3. Our strategy going forward

Before doing that I want to firstly recognise the efforts of all employees in helping transition the Company through the past year. Those efforts have left us well placed to take advantage of market opportunities in the coming year and beyond. The leadership shown by Tony Caruso has again been notable for its response to the needs of the business.

Past Year's Performance

The financial performance of your company has been one of two halves – in H1 2012-13, we had our best half year ever while the second half was characterised by relatively poor conditions reflecting a sharp downturn in business although this was accompanied by a significant upturn in the cash position of the group with the Company being in a net cash position by the end of Q 1, 2013-14. Rapid response to the downturn ensured that the business continued to operate at the right size for current and expected conditions.

Although financial performance was variable, the overall results for Safety were the best on record for 2013-14. From a reputational viewpoint it is critical that we continue to demonstrate to our clients that the "old image" of contractors cutting corners to get the job done more cheaply doesn't apply in our case – we aim to be better performers operationally and from a safety aspect wherever we work. Tony can answer questions you may have on how we have achieved this result but he and his team are highly focused on continuing to improve our performance everywhere.

Current Situation

At the half year and as recently as last month we expected to see a return to more favourable conditions in H1 2013-14 as part of an industry turnaround; this has not eventuated in the timeframe anticipated nor to the extent expected as evidenced by this morning's FY14 H1 guidance update announcement to the ASX. We now see H2 as being a more likely timeframe for a turnaround to emerge. We expect to be in a net cash position again by the end of the half year having paid dividends to shareholders in this quarter]

Tony will elaborate on this in his address but we remain confident of being well placed to respond to a favourable change in the operating environment.

Strategy

The Company continues to examine possibilities to expand on its service offering while focusing on the coal sector. A range of opportunities have been and are being reviewed and if any of these hold promise, we will action them. Discussions have been held with a number of clients as to ways we can continue to add value for them. Time will tell if these bear fruit.

Your Company is well placed to deliver added value for shareholders as business recovers. As previously advised through ASX announcements, I am stepping down as a Director at the close of this AGM, and Darren Hamblin will become Chairman. During my time in Mastermyne I have been and remain impressed with the quality and dedication of its people; it has been a pleasure to be associated with them. My thanks also go to my fellow directors and company secretaries whose contributions have made my task much easier through their excellent collegiate approach to the business of running the Company.

Thank you.

Are there any questions?

Peter Slaughter
Chairman