



ASX Announcement

1 December 2016

**ASX: DSB**

**Board of Directors**

Chairman – G Dawkins

Chief Executive Officer & Managing Director – N McAlary

Non-executive Director – S Bizzaca

Non-executive Director – G Garside

**Company Secretary**

M Etcell

**Principal Contact**

Chief Executive Officer – N McAlary

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**Delta SBD Awarded Contracts at South 32's Appin Mine**

Delta SBD Ltd (ASX: DSB) (**Delta** or **Company**) is pleased to announce an increase in its workbook based on a combination of retaining contracted works with traditional clients and new business with underground coal mining producers. While the current coal price increase has stimulated activity in the sector, producers are still looking for low capital cost and low exposure opportunities to bring on coal given the uncertainty that remains regarding long term coal prices.

Delta confirms that it has been successful in retaining the majority of contract works at South 32's Appin Mine in the Illawarra. A new approach to these contracts is required to work with South 32 to deliver a service to assist the mine to continue its reputation as a reliable hard coking coal producer. As some of the contracted works have expanded scope, it is expected overall personnel numbers to be sustained, while additional machinery will be deployed.

Additionally, Delta has increased employee numbers at another existing contract at a mine in the Illawarra and new contracts in both the Hunter Valley region of NSW and the Bowen Basin in Queensland.

Having reported positive results for FY 2016, despite another challenging year for the coal mining industry which has been impacted by very low prices, Delta has successfully sought to retain contracts with long-term clients and aims to secure contracts with new clients in FY 2017.

Neville McAlary, Delta's CEO, commented: *"We are pleased with the progress that the Company has made during 2016 and these contracts are an important validation of our offering to producers"*.

*"Our outlook for the business is positive as we focus on offering greater value to mine owners through solutions-based services that underpin repeat work"*.

*"While large producers are reluctant to bring on capital projects in the absence of greater certainty around the coal price outlook they are seeking low cost and low exposure opportunities for production increases"*.

*"Delta is well placed to seize strategic growth opportunities, and the low exposure opportunities that coal producers seek are ideally suited to our business."*