

14 September 2015

Attention: Sandra Wutete

Australian Securities Exchange
Exchange Plaza, 2 The Esplanade
PERTH WA 6000

Dear Sandra

CONTRACT NOT TO PROCEED

In accordance with Listing Rule 3.1, Diploma Group Limited (**Diploma**) advises that its wholly owned subsidiary Diploma Construction (WA) Pty Ltd will not proceed with the construction of the Marina Edge project in Port Coogee.

Diploma announced on 22 April 2014 that it had executed a binding heads of agreement with the developer, subject to relevant conditions being met, to undertake the construction of the project.

Yours Sincerely

DIPLOMA GROUP LIMITED



**SIMON OATEN
COMPANY SECRETARY**