

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**

A handwritten signature in black ink, appearing to read "Simon Oaten".

**SIMON OATEN  
COMPANY SECRETARY**