

15 June 2015

Company Announcements  
ASX Limited  
Level 4, 20 Bridge Street  
SYDNEY NSW 2000  
AUSTRALIA

Dear Sir / Madam

**Wiggins Island Coal Export Terminal – Contracts Update**

Please find attached a copy of the announcement to be issued today by Monadelphous Group Limited.

Yours sincerely,



Philip Trueman  
**Company Secretary**

## ASX RELEASE

15 JUNE 2015

### Wiggins Island Coal Export Terminal - Contracts Update

Engineering company Monadelphous Group Limited (ASX:MND) ("Monadelphous" or "the Company"), through an unincorporated joint venture MMM, shall be lodging a counterclaim in the Supreme Court of Queensland in response to a claim filed against Monadelphous by Wiggins Island Coal Export Terminal Pty Ltd ("WICET").

Monadelphous Engineering Pty Ltd, a wholly owned subsidiary of Monadelphous, holds a 50% interest in MMM. MMM has entered into two contracts for the construction of the approach jetty and ship berth, and shiploader, associated with the Wiggins Island Coal Export Terminal at Gladstone, Queensland.

Work under the contracts is complete and MMM has been granted practical completion. MMM has to date received successful adjudication from the Building and Construction Industry Payment Agency ("BCIPA") (a Queensland statutory agency designed to facilitate the adjudication of payments in the construction industry by expert adjudicators) for payments relating to the contracts totalling approximately \$90 million. The Company expects further claims to be lodged with BCIPA in the near future as it expects that WICET will, as has previously occurred, reject future submitted progress claims.

WICET has filed a claim relating to the MMM contracts in the Supreme Court of Queensland totalling approximately \$130m (net of the proceeds of bank guarantees) plus general damages, interest and costs, in which it seeks to recover monies, the majority of which include those paid to MMM under BCIPA and variations previously approved by WICET. The claim names the MMM joint venture parties as defendants, along with each of the respective parent companies.

Monadelphous rejects WICET's position as outlined in the claim and will vigorously defend the proceedings. Further, it will pursue a counterclaim through MMM in excess of \$200 million to recover costs associated with changes in scope and nature of the works required to be completed, and the value of bank guarantees drawn down. Monadelphous considers that MMM has good grounds for making such claims.

Monadelphous prides itself on its trusted and long-term business relationships. Over the last 25 years Monadelphous has never instituted legal proceedings against a customer, nor has any customer previously filed a similar claim against the Company.

Monadelphous Managing Director Rob Velletri said the company had a proud track record of delivering solutions for customers.

"We are very confident that we have met our customer's requirements, which is something our 4,500 employees have been consistently doing for the past quarter of a century," he said.

"Despite our best efforts to resolve all outstanding issues with WICET, and considering that we have previously received successful adjudication from BCIPA in respect of many of these issues, we believe WICET's actions in filing such a claim are unwarranted.

"This is an unusual and non-preferred situation for Monadelphous given our traditional partnership approach with clients, but we are confident of our position and we will stand our ground, supported by a strong balance sheet."

Monadelphous does not believe that these actions will have a material impact on the overall earnings of the Company for the year ending 30 June 2015.

**Further Information**Analysts/Investors

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*Monadelphous Group Limited (ASX: MND) is a leading Australian engineering group providing construction, maintenance and industrial services to the resources, energy and infrastructure sectors. The Company has two operating divisions – Engineering Construction, providing large-scale multidisciplinary project management and construction services, and Maintenance and Industrial Services, specialising in the planning, management and execution of mechanical and electrical maintenance services, shutdowns, fixed plant maintenance services and sustaining capital works.*

*Monadelphous is headquartered in Perth, Western Australia, with a major office in Brisbane, Queensland, and projects, facilities and workshops across Australia and in China and Papua New Guinea. Please visit our website [www.monadelphous.com.au](http://www.monadelphous.com.au) for more information.*