

7 June 2022

ASX ANNOUNCEMENT

Alltype Engineering receive new awards and contract expansions

Highlights

- **New awards and contract expansions of ~\$15M for Alltype Engineering**
- **Weststar Industrial contracted revenue awarded for FY22 \$237M**
- **Completion of Consolidation of Capital**
- **ASX approve Weststar Industrial relief from Appendix 4C quarterly cashflow reporting**
- **SIMPEC progress well on the Iron Bridge Magnetite Project with 500 people now mobilised**

WestStar Industrial Limited (Company or WestStar) (ASX: WSI), an Australian industrial services company, operating in the energy, resources, utility and infrastructure sectors, in metropolitan and remote areas, is pleased to report on contract expansions and new awards for its wholly owned subsidiary Alltype Engineering and an update on foundation company SIMPEC.

A combination of numerous contract signings, early works contracts and existing contract growth of over \$15M has added positively to the contracted revenue for the year with further contract wins expected. WestStar's financial backing and parent company support has been instrumental in supporting this growth in revenue, profitability and geographic presence.

The contract expansions and new awards continues to contribute to the WestStar FY2022 order book bringing the consolidated group total of contracted Awards to \$237M for the financial year and allow the Company to build on the success of FY2022 in FY2023.

Alltype Engineering Operations Update

WestStar's wholly owned subsidiary Alltype Engineering continues to further increase its secured work opportunities, building a record backlog for FY23 of circa \$40M whilst trading EBITDA positively and trending toward setting a new company financial performance record in FY22 over a 37-year history and in alignment with its 5-year strategic plan and WestStar approved budget.

New works secured include further water and transport infrastructure fabrication and installation works, multiple gas transmission facilities upgrades and stations involving turnkey fabrication and construction within the Goldfields, Pilbara, Midwest and Perth regions, offshore and subsea componentry fabrication, mine site non process infrastructure works and turnkey construction of a Metropolitan industrial waste treatment facility. Various minor, stay in business and adhoc works also continued to flow through the operation that continues to provide a solid baseline of work and touch points for various clients.

The contract expansions and new awards continues to contribute to the WestStar FY2022 order book and to set up FY2023 as an exciting year for Alltype Engineering.

APA Ambania Compressor Station Site Works Commenced

The Ambania compressor station project east of Geraldton has achieved a major milestone, having mobilised and established site at the end of April with bulk earthworks and 60-person site construction camp progress on schedule in anticipation of precast and insitu concrete and buried ground works.

Lynas Kiln Installation Commences Major Lift Activities

Further east near Kalgoorlie, the Lynas kiln project continued progress with erection of the major kiln segments onto concrete plinths commencing in advance of balance of plant works commencing. The project works continue in accordance with schedule with the scope expanded to include kiln related electrical installation works and piping.

AGIG Gas Facilities Infrastructure Works Continue

Alltype Engineering continue a project scope of integrated works comprising workshop fabrication, SMP and E&I works on various remote sites along the Dampier to Bunbury Pipeline, which is part of the Australian Gas Infrastructure Group (AGIG) from Karratha down to Dongara to meet new gas transport arrangements.

Northern Star Resources Ltd Thunderbox Gold Mine Gas Supply Debottlenecking Project Practical Completion

Project mechanical completion and Alltype Engineering practical completion has been achieved on the gas delivery facilities at the remote Thunderbox gold mine. Subsequent to recent shut down tie in works to install key infrastructure ahead of schedule, Alltype Engineering have now installed the electric fuel gas heaters and completed the consumer gas pipeline and delivery station for the new power station being commissioned as part of the Thunderbox Expansion Project.

Alltype Engineering's Managing Director Kelvin Andrijich commented

"To deliver the recent Thunderbox gas facilities EPC project from concept to completion safely in 12 months in the current construction environment is a true achievement and I would like to acknowledge and thank our project, workshop and site teams for pulling together to make it happen. I would also like to thank our clients Northern Star Resources Ltd and APA Group for their collaborative approach and our key subcontract partners for their support in successfully delivering this key EPC project. We believe this experience and demonstration of capability will generate future repeat scopes similar in nature for a broader client base."

SIMPEC Operations Update

During the period, SIMPEC continued to progress the following projects:

- FMG Iron Bridge Wet Process Plant (SMPE&I)
- Pilbara Minerals Ngungaju
- Acciona Kwinana Waste to Energy Project – Piping Installation BOP
- BHP Mt Keith Debottlenecking ECI Works
- Tianqi Lithium Kwinana Engineering support

SIMPEC's HSE performance continues to be strong across all projects and it was another safe period for the business. This has been an excellent achievement from our project teams working across numerous challenging environments with more than 600 people to manage.

Iron Bridge Magnetite Project

The Iron Bridge Magnetite Project is a joint venture between Fortescue Metals Group subsidiary FMG Magnetite Pty Ltd and Formosa Steel IB Pty Ltd. The Project is situated approximately 145km south of the town of Port Hedland in Western Australia's Pilbara region, with a Contract value to SIMPEC of circa \$145M. The Wet Processing Plant is a significant part of the new magnetite mine which will be central to the production of 22 million Wet Metric Tonnes Per Annum (WMTPA) of high grade, magnetite concentrate product.

SIMPEC is supplying SMP and E&I vertical construction services for the project. This complex project consists of major module installation, tank installation, major mechanical installation, large bore piping and a significant portion of supply and installation of electrical and instrumentation works.



Iron Bridge Magnetite Project - Wet Processing Plant

SIMPEC continues to progress well with the major construction activities on the Iron Bridge Magnetite Project for the Wet Processing Plant. Over the month concentration related to Main areas of SMP activity related to module, tank, mechanical and loose steel installation and E&I focussed around switch rooms and associated cable and cable tray installation.

SIMPEC's recruitment effort for the Iron Bridge project, now at ~500 personnel mobilized to the project with over 600 personnel employed inclusive of head office and site project teams. This is a remarkable achievement in the current employment market.

Indigenous Engagement

As an Australian owned and operated business, working with indigenous Communities is vital to sustaining the long-term viability of local businesses and our overall industry.

Recognising the recent National Reconciliation Week theme of "Be Brave. Make Change", SIMPEC have invested over \$6 million dollars with indigenous businesses since the commencement of the project. SIMPEC continues to explore opportunities with our indigenous partners on this project and others across the business.

Commenting on WestStar Industrial's recent awards and Update, WestStar CEO and Managing Director Robert Spadanuda noted:

"Having recently received Letters of Intent and early works Engagements, Alltype Engineering has now converted many of these opportunities into awarded contracts and will continue to provide the necessary contract updates at the appropriate time. The opportunity and project pipeline remains strong with a broad base of great clients and our management team is cognisant of ensuring capacity and delivery are aligned for continued success."

"The Iron Bridge project, being the Company's largest current project, continues to progress well and achieving successful personnel and equipment resourcing within the current environment reaffirms the company's ability to take on and deliver this project. I would like to acknowledge the SIMPEC team and their recruitment initiatives to have mobilised ~500 personnel to this project along with maintaining commitments to our other valued clients and contracts."

“Separate to the growth of the existing business and leveraging off the successful Alltype Engineering acquisition by WestStar Industrial, the Company has demonstrated and proven its ability to manage acquisitive integration to add value to the greater group. Weststar Industrial is now in a position to expand its service offering to a greater market and is exploring opportunities to grow both organically and strategically across Australia with new opportunities presenting in Queensland, NSW, SA, Victoria and the Northern Territory.”

“Whilst it is anticipated that both Alltype Engineering and SIMPEC will start delivering the rewards of time invested in the wider Australian market, Weststar Industrial continues to identify synergistic supply offerings that can be vertically and horizontally integrated to our current clients and through acquisition develop a wider and diversified service offering with an independent and new client base to accelerate this growth.”

“The Company continues to view growth as a strategic driver and performance on projects locally and interstate will be the key to future success. It is our continued intention to pursue further opportunities on a national stage.”

“WestStar continues to demonstrate our ability to manage cash reserves and deliver positive cash balances for a significant period commensurate with the growth of the business. The company welcomed the decision from the ASX in approving Weststar Industrial relief from Appendix 4C quarterly cashflow reporting. This reflects the growth and maturity of the business and continued focus on the delivery of its strong order book. With the retirement of all debt, the Group’s successful cash management principles has enabled the ability to pursue further opportunities outside of our foundation Western Australian industry and markets.”

“It is our intention to enhance value by focussing on financial performance and execution of our projects and not focus on short-term opportunistic volatility in the market. We believe in our ability to execute successfully and sustainably and remain focused on this approach. The board and management are committed to providing shareholders with a valuation reflective of our performance potential and in line with our overall business plan. We remain fiercely committed that this value is being created.”

“The Company’s recent decision to consolidate its share structure demonstrates the boards’ view that the company is substantially undervalued. With majority ownership residing in a very stable and supportive board, executive, employee and shareholder community, we have demonstrated our ability to execute and further commitment from a strong investor base will look to deliver a fair valuation in line with our business plan.”

“We thank all shareholders for their overwhelming support in recent times on our consolidation outcome.”

“The future order book pipeline continues to remain strong and is expected to yield further contract awards both locally and nationally. The Company has the experience, capacity and capability within the group to deliver on this project pipeline.”

WestStar Industrial will continue to provide market updates in addition to its forward order book and growth targets along with meeting its half and full year financial reporting responsibilities.

-Ends-

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About WestStar

WestStar Industrial Limited (ASX: WSI) is an industrial, steel fabrication, installation and maintenance services company focussed on the resources, oil and gas, water and infrastructure sectors.

About SIMPEC

SIMPEC delivers high quality construction and engineering services with specialisation in structural mechanical and piping (SMP), electrical and instrumentation (E&I), concrete products and civil Services.

For more information: www.simpec.com.au

About Alltype

Engineering Alltype Engineering leverages off its fabrication capability and provides complete project solutions including SMP and E&I site installation, construction and maintenance services, across almost every industry in Australia. Alltype's products and services have been delivered and installed state-wide, nationally and internationally through our workshops and sites and can be found on land, offshore on islands, FPSO's and platforms, below ground and even subsea. Supported by its team of experienced multi-disciplinary project personnel, Alltype delivers consistent quality products and services that underpin its commitment to its vision "to be recognised as the preferred partner in delivering integrated fabrication, site and maintenance services with reliable, innovative and cost-effective solutions".

For more information: www.alltypeengineering.com.au

ASX release authorised by the Board of Directors of WestStar Industrial Limited.