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ASX / MEDIA ANNOUNCEMENT
15 October 2020

OPERATIONAL UPDATE

- **Refinance Arrangements agreed**
- **United Petroleum Pty Ltd dispute**
- **Successful electrification of Warradarge Windfarm**
- **Bruce Highway update**
- **Official opening of Reid Highway**
- **$2.9m Murray Goldfields and Goulburn contract**
- **Strategic Partnership Agreement signed**

Refinance Arrangements

Decmil advises that following discussions with the National Australia Bank ("NAB") and its surety bond providers, it has reached an in principle agreement on the commercial terms and conditions for ongoing bonding facilities to be provided by the surety providers and for ongoing banking facilities to be provided by NAB.

These arrangements, when executed, will replace the current standstill arrangements, and provide ongoing facilities on a rolling 12-month basis.

United Petroleum Pty Ltd

Following further negotiations between the parties, United Petroleum Ltd discontinued the whole of the proceedings against Decmil. As a result, this issue is now closed.

Warradarge Windfarm

The Warradarge Windfarm in Western Australia was officially opened last week.

Connection to the grid is a major milestone for the project as it significantly mitigates the risk of costly contract completion delays.

Warradarge is located 200 kilometres south of Geraldton and is a project funded and developed by Bright Energy Investments (BEI), which is a partnership between Synergy and the private sector.

Decmil was awarded the $72 million contract in March 2019 by Vestas for balance of plant works at the 51-turbine wind farm including wind turbine bases, 55 kilometres of access tracks, site cabling, switch room and substation.

The electrification of Warradarge follows the successful electrification of the Yandin Windfarm at Dandaragan in Western Australia in July of this year.

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Bruce Highway

On 30 April 2020 Decmil announced it had been named preferred tenderer for an $11.5 million contract by the Department of Transport and Main Roads Queensland for roadworks on the Bruce Highway. Decmil was subsequently awarded the contract, commencing construction in May 2020, and the Company is pleased to advise that works are proceeding on schedule.

Under the scope of works, Decmil is undertaking high-priority safety works including road widening, wide centreline treatment, barrier installation, clear zone clearing and culvert replacement and rehabilitation.

The project is located on the Bruce Highway in the section between Benaraby and Rockhampton.

Reid Highway

On 11 March 2019 Decmil was awarded a $46 million contract with Main Roads Western Australia to design and construct a dual carriageway and overpass along Reid Highway in the Perth suburb of Caversham.

The Reid Highway upgrade was officially completed last month.

Murray Goldfields and Goulburn contract

Decmil has been awarded a contract from the Department of Environment, Land, Water & Planning ("DELWP") in Victoria for the design and construction of crossings in the Murray Goldfields and Goulburn districts.

The Company will be responsible for the design and construction of three bridge crossing structures, which will enhance the ability of heavy fire fighting vehicles to access large tracts of land safely and efficiently.

Following commencement of the work, Decmil has also secured a variation for design and construction of an additional crossing at Tankerton Creek.

The current contract value is $2.9 million.

Strategic Partnership Agreement

In support of its overall strategy, Decmil has entered into a strategic partnership with Avid Resources to further enhance its integrated service offerings and provide access to the Water and Power sectors.

Avid Resources is a multi-disciplinary business providing market-leading construction and maintenance for metals & minerals projects; end-to-end electrical, instrumentation and control solutions; and extensive design, civil, mechanical and electrical experience across water treatment plants & waste water treatment facilities.

Through this strategic partnership, Decmil and Avid are able to leverage their respective capabilities providing a fully integrated solution.

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Comment from CEO Dickie Dique:

"This operational update demonstrates three important points: that we are on track to resolve legacy issues, that we remain operationally efficient and proficient, and that we are winning more work.

"All are equally important as we tick off items that will contribute to Decmil's reset and rebuild."

This ASX release was authorised by the Decmil Group Limited CEO, Dickie Dique.

About Decmil

Decmil Group Limited (DGL) offers a diversified range of services to the Australian resources and infrastructure industries. Companies within the group specialise in engineering and construction; accommodation services; and maintenance. Listed on the Australian Securities Exchange (ASX Code: DCG), Decmil's goal is to maximise returns from our operations to deliver value to our shareholders, clients and other stakeholders

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