

**ASX / MEDIA ANNOUNCEMENT**  
**12 December 2019**

## **SUNRAYSIA SOLAR FARM UPDATE**

Decmil Group Limited (ASX:DCG) (“**Decmil**” or “**Company**”) wishes to provide an update on the Sunraysia solar farm project.

On 8 October 2018 Decmil announced that it had entered into an EPC contract with Sunraysia Solar Farm Pty Ltd (“**SSF**”), a development company controlled by Maoneng Australia and infrastructure developer John Laing, for the construction of the 255MW Sunraysia Solar Project (“**Project**”) located near Balranald in New South Wales.

All plant, equipment and components necessary for the operation of the Works (“**Physical Works**”) necessary to achieve Substantial Completion are now complete, with the Physical Works being delivered safely, on time and in accordance with the requirements of the Contract.

Notwithstanding the above, Substantial Completion requirements of the Contract can only be satisfied following Sunraysia Solar Project Pty Ltd (“**Sunraysia Solar**”) obtaining R1 registration of the project from the Australian Energy Market Operator (“**AEMO**”).

Currently, Sunraysia Solar are yet to obtain R1 registration for the Project.

Decmil confirms it is continuing to support Sunraysia Solar with its R1 registration process, including the performance of additional testing and modelling.

Sunraysia Solar has refused to award to Decmil an extension of time and an associated adjustment to the contracted date for Substantial Completion. Decmil believes it is entitled to an adjustment to the date for Substantial Completion and has escalated this under the dispute mechanism of the Contract.

At this stage, Decmil confirms it does not believe that the issues raised above will have a material impact on its earnings for the half year ended 31 December 2019, however, it is expected to negatively impact the Group’s cash position by approximately \$14 million, being remaining progress payments (including the Substantial Completion milestone payment) due on the project, until resolved. Notwithstanding this negative cash impact, Decmil retains sufficient cash reserves and working capital facilities.

### **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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