

ASX / MEDIA ANNOUNCEMENT
23 December 2019

MARKET UPDATE

Decmil Group Limited (ASX:DCG) (“**Decmil**” or “**Company**”) wishes to provide an update on certain matters.

Homeground Valuation:

As foreshadowed at the 2019 Annual General Meeting, following an independent valuation, the Homeground Gladstone accommodation village will be revalued from \$92.4 million to \$85.4 million as at 31 December 2019.

The devaluation of the village will result in a non-cash pre-tax charge of \$7.0 million to the interim results for the half year ending 31 December 2019.

Executive Management Changes:

Due to health and family reasons, Mr Craig Amos has resigned from his position as Chief Financial Officer (“**CFO**”) at Decmil, effective 20 December 2019.

Decmil Managing Director and CEO, Scott Criddle said, “Craig has made a significant contribution to Decmil since being appointed as CFO in 2014. I thank him for his commitment and wish him and his family all the best for the future.”

With a strong and experienced finance team in place, that team will be overseen by Mr Damian Kelliher (EGM – Commercial, Risk and Strategy) who will move into an acting CFO role.

In order to minimise the effect on existing operations during this period, the Company has made additional organisational changes to enable Mr Kelliher to take on the acting CFO role.

Operations:

Decmil and the New Zealand Department of Corrections (“**Department of Corrections**”) are in discussions regarding the Rapid Deployment Prisons program. Both parties had previously agreed to a process to “reset” the contract, given multiple variations and delivery challenges. In November 2019, the Department of Corrections informed Decmil that it was no longer prepared to continue the reset process and would work through the variations separately.

Whilst Decmil does not believe this change by the Department of Corrections will have a material impact on its earnings, delays will be experienced and it will impact on the Company’s cash position, until resolution of both time and cost entitlements are achieved.

Notwithstanding the cash impact outlined above, the Company retains sufficient cash reserves and working capital facilities.



Infrastructure



Renewables



Resources

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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