



ASX RELEASE

Thursday, 17 October 2019

Contract Awards and Operational Update

Highlights:

- **New EPC contract awards – Energy and Non-Process Infrastructure**
- **FY20 contracted order book now stands at approximately A\$120M**
- **Project milestone achievement at Barker Inlet Power Station**

Primero Group Limited (ASX:PGX) (**Primero** or **the Company**) is pleased to advise the market of recent contract awards and provide a general operational update, including the current FY20 contract order book.

New contract awards

Energy

Kalium Lakes (Beyondie SOP Gas Infrastructure): Primero has been awarded an EPC contract by Kalium Lakes for the design, procurement and construction of the Beyondie SOP Project gas inlet and delivery stations. The award of the contract is an extension of the design contracts awarded earlier in the year, converting those initial works to full EPC scope. The infrastructure will comprise of off-site manufactured pressure reduction and metering skids that will be completely designed, manufactured, tested and commissioned at Primero's assembly facility in Bibra Lake, Western Australia. They will then be transported to site where they will be installed and recommissioned to receive gas supply for the Beyondie Project.

Non-Process Infrastructure

Rio Tinto (West Angelas Iron Ore C&D): Primero has been awarded an EPC contract by Rio Tinto for the design, procurement, construction and commissioning of the heavy vehicle refueling and diesel pipeline infrastructure at the West Angelas Iron Ore C&D Project. The project will commence immediately with a completion date in 2021. Primero's understanding of the existing West Angelas facilities and strong track record of hydrocarbons infrastructure delivery for Rio Tinto Iron Ore has been demonstrated with the award of this project. The pipeline extends approximately 6 km from the existing facilities located at West Angelas main to the new C&D deposit heavy vehicle refueling facilities.

FY20 order book update

The new contract awards, coupled with existing contract extensions and general client repeat works, increase Primero's contracted order book for FY20 to approximately A\$120M. Committed work for FY21 is also building strongly.

Primero's tendering activities continue to increase with current activity levels strong across all three of the Company's core service sectors (Energy, NPI and Minerals). In particular, the NPI market in Western Australia is providing potential large-scale opportunities within which Primero is currently participating in advanced delivery discussions.



Barker Inlet Power Station progress update

AGL Energy's Barker Inlet Power Station (BIPS) situated in Adelaide, South Australia - Primero's current flagship energy project as a sub-contractor to EPC Contractor Wärtsilä has just completed 1,000,000 manhours on site without a Lost Time Injury (LTI). There has also been just one (1) Medically Treated Injury (MTI) across this entire period.

The project is nearing completion with successful milestones reached for start-up of 9 of the 12 x 18MW engines that will fire the 211MW peaking load power station. The 'dual fuel' engines have been started on liquid fuel oil (LFO) and commissioning works are progressing well to run and load test all the engines on natural gas, the primary fuel for the plant.

Managing Director, Cameron Henry, commented:

"The Kalium Lakes contract award again demonstrates Primero's ability to commence works with clients on a concept and design basis, and then provide complete turnkey solutions by developing an EPC delivery strategy to best suit the client's needs. We are very pleased to be working with both Kalium Lakes and APA on the delivery of this important infrastructure.

"We are also very pleased to be continuing our relationship with Rio Tinto and to be trusted with the development of their critical assets and infrastructure on a complete design and construct turnkey basis. This contract award adds to the 40ML of diesel infrastructure already delivered in the Pilbara region by Primero and reinforces the in-house hydrocarbons strength within our business.

"We continue to actively strengthen our team and build a strong pipeline of opportunities in the current market. "

INVESTORS:

Cameron Henry
Managing Director
investor@primero.com.au

MEDIA CONTACT:

Michael Vaughan
Fivemark Partners
+61 422 602 720



ABOUT PRIMERO

Primero provides engineering design, construction and operational services to the minerals, energy and infrastructure sectors. Primero has specialist expertise in project implementation and delivery with a complementary service offering comprising civil, structural, mechanical and electrical solutions. Primero provides these services to a diverse client base, ranging from mid-sized companies through to international mining and energy houses.

