

18 December 2014

Company Announcements
Australian Securities Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000
AUSTRALIA

Dear Sir / Madam

RE: Contract Update

Please find attached a copy of the announcement to be issued today by Monadelphous Group Limited.

Yours sincerely,



Philip Trueman
Company Secretary

ASX RELEASE

18 December 2014

Contract Update – Wiggins Island Coal Export Terminal Contracts

Monadelphous Group Limited (ASX:MND) ("Monadelphous" or "the Company") wishes to provide an update regarding two contracts entered into by a joint venture in which one of the Company's subsidiaries is a joint venture partner.

MMM was established on 1 July 2011 and is an unincorporated joint venture, in which Monadelphous Engineering Pty Ltd holds a 50% interest. MMM has been engaged to construct the approach jetty and ship berth, and shiploader, associated with the Wiggins Island Coal Export Terminal at Gladstone, Queensland, since 2012.

MMM has substantially completed the works under the contracts, and (as is common in contracts of this nature) has lodged a number of claims with the owners of the project, Wiggins Island Coal Export Terminal Pty Ltd ("WICET") relating to changes in the scope and nature of the works that were required to be performed. Monadelphous considers that MMM has good grounds for making such claims under the terms of the contracts.

MMM, as it is entitled to do, has lodged a number of claims with the Building and Construction Industry Payment Agency (a Queensland statutory agency designed to facilitate the adjudication of payments in the construction industry by expert adjudicators) in order to obtain payment for these claims.

In turn, WICET has provided MMM with notice that it intends to obtain the payment of monies WICET alleges it is owed based on a number of backcharges and deductions lodged with MMM. Monadelphous does not consider WICET's backcharges and deductions to be valid.

In connection with the contracts, each joint venture partner has provided bank guarantees to WICET. WICET has, prior to any final resolution of the claims referred to above, drawn down AU\$19.46million under bank guarantees that had been issued by Monadelphous.

WICET's actions in doing this:

- do not alter or affect the validity of MMM's claims, which are still to be determined, including the right to recover the value of the bank guarantees; and
- are, in Monadelphous' view, unwarranted and unusual.

Having taken advice, Monadelphous intends to promptly initiate legal proceedings to recover monies called by WICET, and seek appropriate damages.

Regardless of the outcome of these legal proceedings, WICET's unilateral action in calling Monadelphous' bank guarantees is not expected to have a material impact on the overall earnings of Monadelphous.

MMM remains committed to pursuing a satisfactory resolution to its claims under the terms and conditions of the contract.

Further Information

Analysts/Investors

Rachel Cooper
Investor Relations Manager
+61 8 9315 7429
+61 457 539 985
rcooper@monadel.com.au

Media

Colin Jacoby
Professional Public Relations Pty Ltd
+61 8 9388 0944
+61 411 828 073
colin.jacoby@ppr.com.au



Monadelphous Group Limited (ASX: MND) is a leading Australian engineering group providing construction, maintenance and industrial services to the resources, energy and infrastructure sectors. The Company has two operating divisions – Engineering Construction, providing large-scale multidisciplinary project management and construction services, and Maintenance and Industrial Services, specialising in the planning, management and execution of mechanical and electrical maintenance services, shutdowns, fixed plant maintenance services and sustaining capital works.

Monadelphous is headquartered in Perth, Western Australia, with a major office in Brisbane, Queensland, and projects, facilities and workshops across Australia and in China and Papua New Guinea. Please visit our website www.monadelphous.com.au for more information.