

20 February 2017

Matrix reaches favourable agreement with shipyard customer

Matrix Composites and Engineering (ASX:MCE, "Matrix") refers to its announcement of 16 February 2016, in which the Company advised that it had received notification from a shipyard customer of a Request for Cancellation in respect of two contracted orders for riser buoyancy systems, each valued at US\$10.89 million.

Matrix is pleased to announce that it has now reached a favourable agreement with the shipyard customer.

Under the agreement, Matrix will be paid the full amount of US\$10.89 million for the first riser buoyancy system that had already been produced. Matrix expects to receive 90 per cent of the amount in Q4 FY17, with the balance paid in Q4 FY18.

The parties have also agreed that Matrix will not manufacture the second riser buoyancy system, which was not scheduled for production until FY18. Matrix understands the shipyard customer's head contract has been delayed, however the Company will advise the market if it receives a revised order for this system.

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For further information please contact Aaron Begley, Chief Executive Officer on +61 8 9412 1200 or email aaron.begley@matrixengineered.com

About Matrix Composites & Engineering (MCE)

Matrix Composites & Engineering ('Matrix') manufactures and supplies engineered products and services to the global energy sector. Matrix has an established reputation for developing and utilising advanced composite and polymer materials technologies and innovative manufacturing processes. This means its products are stronger, lighter and longer lasting, and can be manufactured and delivered within shorter timeframes.