

21 August 2017

Matrix awarded new contracts worth approximately \$5 million

Matrix Composites & Engineering Ltd (ASX:MCE, “Matrix” or the “Company”) is pleased to announce it has been awarded a contract for its revolutionary drag reduction product, LGS™.

The contract is to retrofit subsea pipeline stabilisation using Matrix’s LGS™ drag and VIV reduction technology to improve pipeline stability. The project will involve the in-situ installation of Matrix LGS™ covers onto an existing installed pipeline which is situated offshore in Australia. Matrix anticipates that this initial phase for this project will be circa A\$3 million – A\$3.5 million.

The contract is in line with growing interest for improved stabilisation on existing installed subsea structures. Matrix LGS™ can be used to reduce drag, fatigue and improve stability wherever a tubular structure is affected by currents and tides, including oil and gas pipelines and risers, jetties, bridges, marine structures, and offshore wind turbines. The Company is currently in the process of offering this technology to other operators of offshore oil and gas fields.

The LGS™ contract is in addition to recent, separate orders for centralisers and SURF products worth a combined A\$2.0 million, bringing the total value of Matrix’s recent contracts to around A\$5.0 million. These products will be deployed at existing oil and gas projects in offshore WA.

Matrix Chief Executive Officer Aaron Begley said all of the contracts were in line with Matrix’s strategy of targeting existing projects in the oil and gas sector that reduced Matrix’s reliance on new build drill rigs.

“What is important about the LGS™ order in particular is that it is the first time this product will be applied at shallow depth, an area that is receiving greater attention and investment from oil and gas producers,” Mr Begley said.

“It comes as our second LGS™ order has now been deployed at a strong current region in the Gulf of Mexico, which is expected to provide test results later this year that will further enhance our ability to market the product to drilling customers.”

LGS™, developed in collaboration with Melbourne-based AMOG Technologies Pty Ltd, is a proprietary product that reduces drag and vortex induced vibrations on risers, pipelines, and tubulars when exposed to ocean currents. Matrix has been actively targeting an expanded application of LGS™ into other areas, including pipeline stabilisation and flexible riser drag reduction.

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For further information please contact:

Investors

Aaron Begley
Chief Executive Officer
Ph: +61 8 9412 1200
Email: aaron.begley@matrixengineered.com

Brendan Cocks
Chief Financial Officer
Ph: +61 8 9412 1200
Email: brendan.cocks@matrixengineered.com

Media

Adrian Watson
FTI Consulting
Ph: +61 8 9485 8888
Email: adrian.watson@fticonsulting.com

About Matrix Composites & Engineering

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.