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March 2019 Quarter Update

ASX Release

29 April 2019

WESTSTAR INDUSTRIAL LIMITED
CAN 119 047 693

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Issued Capital:
615,754,616 shares

ASX Symbol:
WSI

Activity Highlights:

- **WestStar's contract total stands at ~$33M** with a quarter remaining in FY2019;
- Prefabricated concrete subsidiary **Precast Australia Pty Ltd** added $2.7M in contracts including significant contracts with PACT Construction and Perkins Builders;
- WestStar's engineering contractor subsidiary **SIMPEC Pty Ltd** ("**SIMPEC**") continued to deliver on current work in hand including its $8M Tianqi Lithium contract and the $1.7M contract with Iluka Resources Limited;

Corporate Highlights:

- The Company continued its trend of posting record cash receipts with $5.8M banked, with an additional $2.1M banked immediately post quarter end;
- Successful $2.4M placement to domestic and international institutional and professional investors completed post quarter end, which will enable continued pursuit of WestStar's significant opportunities in the improving resources, building and infrastructure sectors.

The Directors of **WestStar Industrial Limited** (the "Company", ASX: WSI) are pleased to report on the Company's performance for the quarter ended 31 March 2019.

PRECAST AUSTRALIA OPERATIONS

During the quarter, the Company announced that Precast Australia was awarded contracts which combined are expected to represent additional revenue to the Company in excess of $2.7 Million.

The $2.7M total includes a significant contract with **PACT Construction** to supply prefabricated concrete for the construction of the iconic 17-level Arthouse Apartments in Joondalup, WA and a contract with **Perkins Builders** for work at the University of Western Australia.

Together the PACT and Perkins Builders contracts represent ~$1.9M in work to Precast Australia (ASX: 28 March 2019).

In addition, Precast Australia won a further $800k of contracts largely from repeat clients such as the Salini Impregilo JV, ADCO, Mills Industrial and WBHO Infrastructure.

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Figure: Arthouse Apartments concept rendering, Joondalup, WA – Precast Australia contract with PACT Construction

Generally, the precast market is showing signs of improvement with activity and award levels picking up significantly. With the market improving, the outlook for the Precast Australia business is positive.

SIMPEC OPERATIONS

SIMPEC was focussed on delivery of the work it had on hand during the quarter. The $8M **Tianqi Lithium** Kwinana processing plant contract in particular had significant personnel and resources mobilised and allocated to it.

SIMPEC also materially completed its $1.7M contract with **Iluka Resources Limited** which involved the construction of a Flocculant Plant Package consisting of four tanks and related structural, mechanical and piping works.

Despite its substantial work on hand, SIMPEC continued to tender strongly during the March 2019 quarter. The awards to date and the strengthened Group balance sheet form a solid platform for SIMPEC to fulfil much larger contracts with its growing team.

COMPANY FINANCIAL OVERVIEW

During the March 2019 quarter, the Company banked total net cash receipts of ~$5,830,000 (Q2 FY2019: $5,772,000). This a new historical high for the Company for quarterly cash receipts. Notably, the Company banked ~$2.1M in cash receipts immediately following period end due to the March month end falling on a weekend. Incorporating these cash receipts which were due in March, the Company would have reported cash receipts of ~$7.9M.

These late receipts will be reported in the June quarter.

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At the end of the period, the Company reported a cash balance of $1,111,000. Incorporating the late receipts banked immediately after quarter end, the cash balance would have been ~$3.2M.

Overall, receipts are trending up on SIMPEC's increasing activities. Operating payments for the quarter totalled ~$5,323,000 (Q2 FY2019: ~$3,284,000). This is largely in line with the increase in contracted activities.

Group staffing costs also reflected the increased activities at ~$1,032,000 (Q2 FY2019: $754,000) compared to the previous period. Administrative staffing levels remain stable.

Overall net cash outflow from operating activities for the quarter was $1,318,000 (Q2 FY2019: inflow of $1,189,000). As above this reflects the increase in SIMPEC's activities with higher cash receipts but also that some cash receipts were not received until immediately following period end. This result also reflects expenses related to fundraising activities.

Post quarter end, the Company completed a $2.4 million placement, with strong support from existing shareholders along with the introduction of new high-quality domestic and international institutional and professional investors. Hartleys Limited was engaged as Lead Broker to the placement.

OUTLOOK

The WestStar Board continues to identify and assess potential projects and acquisitions complementary to the current business units. Ultimately the Board's focus is to grow the business such that it is a strong prospect for institutional investment.

Funds raised from the recently completed placement will assist WestStar to deliver on both anticipated growth in contracted projects and high confidence project pipeline.

The Company has converted a major portion of its strong contract pipeline into contract awards. SIMPEC and Precast Australia are expected to win further awards based on tendering efforts along with scope extensions on existing contracts.

The Company's focus is now on ensuring that its growth is managed effectively and sustainably.

-Ends-

For further information please contact:

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About WestStar

WestStar Industrial Limited (ASX: WSI) is an Australian industrial conglomerate with a unique offering comprised of three specialist operating businesses: Precast Australia Pty Ltd (concrete fabrication) SIMPEC Pty Ltd (construction contractor) and Distinct Developments (property developer).

+Rule 4.7B

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

WESTSTAR INDUSTRIAL LIMITED

ABN	**Quarter ended ("current quarter")**
38 119 047 693	31 March 2019

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers**	5,831	15,276
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(5,323)	(11,979)
	(c) advertising and marketing	-	-
	(d) leased assets	(206)	(478)
	(e) staff costs	(1,032)	(2,416)
	(f) administration and corporate costs	(491)	(1,302)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	4
1.5	Interest and other costs of finance paid	(98)	(98)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities***	**(1,318)**	**(993)**

*** As 31 March 2019 fell on a Sunday, the Company banked receipts relating to February 2019 which were due during March 2019 - post quarter end in the first week of April 2019. These late receipts totalled $2.1M. With the late receipts added to the receipts banked during the period, the Company's adjusted receipts during the quarter would have been $7.9M and it would have posted a cashflow positive quarter of ~$787k and a cashflow positive Year to date result of $1.1M.*

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(34)	(64)
	(b) businesses (see item 10)	-	-

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Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
	(c) investments	-	(127)
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	157
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	(14)	(14)
2.6	**Net cash from / (used in) investing activities**	**(48)**	**(48)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	105	979
3.6	Repayment of borrowings	(93)	(539)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**12**	**440**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of quarter/year to date	2,465	1,712
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,318)	(993)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(48)	(48)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	12	440

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of quarter****	**1,111**	**1,111**

*** As 31 March 2019 fell on a Sunday, the Company banked receipts relating to February 2019 which were due during March 2019 - post quarter end in the first week of April 2019. These late receipts totalled $2.1M. With the late receipts added to the receipts banked during the period, the Company would have reported an adjusted cash balance of ~$3.2M.*

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	1,111	2,465
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,111**	**2,465**

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	-
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

7.	**Payments to related entities of the entity and their associates**	**Current quarter $A'000**
7.1	Aggregate amount of payments to these parties included in item 1.2	337
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Corporate advisory fees related to debt and equity fund raising activities (~$242k), accounting and administrative support.

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8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities	2,000	650
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

On 12 December 2018, the Company announced that it had received commitments for an unsecured working capital facility of up to $1M. This facility was drawn to the value of $650,000 at the end of the quarter.

Loan from WestStar Precast Pte Ltd of up to $1M, a director related entity, secured with an interest rate of BBSY+6% on the drawn down balance. This facility is undrawn and available, subject to shareholder approval.

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Research and development	-
9.2	Product manufacturing and operating costs	(4,500)
9.3	Advertising and marketing	-
9.4	Leased assets	(100)
9.5	Staff costs	(900)
9.6	Administration and corporate costs	(500)
9.7	Other (provide details if material)	-
9.8	**Total estimated cash outflows**	**(6,000)**

10.	**Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)**	**Acquisitions**	**Disposals**
10.1	Name of entity	-	-
10.2	Place of incorporation or registration	-	-
10.3	Consideration for acquisition or disposal	-	-
10.4	Total net assets	-	-
10.5	Nature of business	-	-

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Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here: ..... Date: 29 April 2019
(Company Secretary)

Print name: Derek Hall

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.

2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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