

20th July 2016

ASX announcement

Restructure Completed & Market Update

Leading underground coal contractor Mastermyne Group Limited (ASX Code: MYE) (“Mastermyne” or “the Company”) today announced that it had completed a full review of its operations and has implemented changes across the business to reduce overhead costs by 26%.

Following its announcement on the 20th of April citing ongoing weakness across the mining services sector the Company undertook a full review of its operations in parallel to reducing board costs by 50 percent. The result of the review by board and management identified exiting workshops which were considered non-core and reducing overhead roles to align with current business activities.

The Company said the restructure will ensure the continued financial strength of Mastermyne and maintain its position as a leading provider of contract services. The simplified operations will provide greater focus on developing and capitalising on growth opportunities within clearly defined lines of business.

Mastermyne CEO, Tony Caruso, said “the restructuring initiatives will strengthen Mastermyne’s competitiveness and result in a more streamlined, more responsive organisation with a lower fixed cost base and importantly hasn’t impacted on the organisations capability to peruse its growth strategies”

The Company also updated the market on the full year financial result stating that the unaudited results for the full year was largely in line with where the Company forecast based on the weaker results in the 3rd quarter and continued weakness into the last quarter. Unaudited results for FY16 include Revenue of \$168 million with EBITDA of \$1.4 million. The result included one off restructuring costs of approx. \$3.1 million, of which \$2 million is non-cash, resulting in an underlying EBITDA \$4.5 million.

The Board and Management remain confident that long-term shareholder value will be delivered and that the actions taken will ensure the continued financial strength of Mastermyne and its position as a leading provider of contract services.

The Company also advised, FY16 audited results will be released on the 16 August 2016.

Further information:

Chris Kneipp – Company Secretary: (07) 4963 0400

Or visit www.mastermyne.com.au

About Mastermyne

Mastermyne Group Limited (ASX:MYE) was established in 1996 and is a leading provider of specialised services to the Australian coal mining industry. Mastermyne listed on the ASX on 7 May 2010.

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It has two operating divisions, Mastermyne Mining (underground roadway development, installation of conveyors and longwall relocation), Mastertec Products and Services (access solutions (scaffolding & rigging), protective coatings, pipeline services, structural, mechanical, electrical & line boring, fabrication & machining)

Based in Mackay Queensland, Mastermyne has operations in Queensland's Bowen Basin and the Illawarra and Hunter Valley regions in New South Wales.