

7 August 2018

Australian Securities Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Attention: Listings Advisor
Ms Lisa Banh

BY FAX: (02) 9241 7620
BY EMAIL: tradinghaltssydney@asx.com.au

Dear Lisa

RCR TOMLINSON LTD (ASX CODE: RCR) – BUSINESS UPDATE, LEADERSHIP CHANGE AND EXTENSION OF VOLUNTARY SUSPENSION

RCR Tomlinson Ltd (“**Company**”) refers to its announcement on 1 August 2018, pursuant to which the Company requested a voluntary suspension pending an update to the market on the likely financial impact of cost overruns recently discovered on a project. The Company hereby requests an extension of the voluntary suspension of the Company’s shares (ASX code: RCR).

BUSINESS UPDATE

The Company confirms that the cost overruns referred to in the announcement on 1 August 2018 occurred at a single project, nearing completion (“**the Project**”).

The Board is treating this matter with utmost seriousness and approaching its investigation as a matter of priority. The investigation is being undertaken by a group comprising members of the Board and a subset of the senior management team, to ensure that the Company remains focused on the operations of the business and on capitalising on its growth opportunities. The Company continues to conduct business as usual at all of its other projects.

LEADERSHIP CHANGE

After 10 years as Chief Executive Officer (“**CEO**”), Dr Paul Dalglish will step down as Managing Director & CEO of the RCR Group.

The Board of the Company has appointed current Independent Non-Executive Director, Mr Bruce James, as Interim Chief Executive Officer, commencing today. Mr James has extensive experience in contracting businesses across the infrastructure, resources, oil & gas, defence and energy sectors, including as Chief Executive Transfield Services (ANZ) and Chief Executive Transfield Services (Resources and Energy).

Mr James will be supported in his role by the existing senior management team including Chief Financial Officer, Mr Andrew Phipps, and Chief Operating Officer, Mr Conal McCullough.

Mr James' appointment as Interim CEO will continue until a permanent CEO is employed by the Company but may also be terminated for cause or with four weeks' notice by either party. The fixed remuneration for the Interim CEO will be the same as the fixed remuneration for the CEO role as previously disclosed in the Company's remuneration report.

VOLUNTARY SUSPENSION

In accordance with ASX Listing Rule 17.2, the Company:

- a) requests that its securities remain suspended from trading pending completion of the investigation of the likely financial impact of the cost overruns at the Project, which is expected to have a material negative impact on FY18 earnings, as well as preparations for any initiatives required to address the impact of those cost overruns. Given the materiality of the cost overruns and the need to undertake further work to assess the likely financial impact, the Company is not yet in a position to make an announcement regarding this matter. The Company considers it appropriate that it remains in voluntary suspension so that it can manage its continuous disclosure obligations and to avoid the market trading in RCR securities on a basis that is not reasonably informed; and
- b) requests that the voluntary suspension remain in place until the earlier of the Company making an announcement to the market and the commencement of normal trading on 31 August 2018; and
- c) is not aware of any reason why the voluntary suspension should not be extended; and
- d) is not aware of any other information necessary to inform the market about its suspension at this time.

Your faithfully



Darryl Edwards
Company Secretary
RCR Tomlinson Ltd

FURTHER INFORMATION

Media Adviser

Quay Advisers

John Hurst

0418 708 663