



GR ENGINEERING SERVICES
ENGINEERING CONSULTANTS AND CONTRACTORS

ASX RELEASE

18 October 2017

For immediate release to the market

APPOINTMENT AS PREFERRED TENDERER THUNDERBIRD MINERAL SANDS PROJECT

GR Engineering Services Limited (ASX:GNG) (**GR Engineering or Company**) is pleased to announce that it has been appointed as preferred tenderer by Sheffield Resources Limited (ASX:SFX) (**Sheffield**) in relation to the design and construction of the 7.5Mtpa Thunderbird Mineral Sands Project (**Project**). The Project is located on the Dampier Peninsula, about 60km west of Derby, Western Australia.

In anticipation of entering into an engineering, procurement and construction contract (**EPC Contract**) to undertake the design and construction of the Project's mineral processing facilities and associated infrastructure, GR Engineering has entered into an Early Works Agreement and Key Term Sheet (**Early Works Agreement**) with Sheffield (and its project subsidiary). GR Engineering will commence early engineering and long lead procurement for the Project under the Early Works Agreement.

The Early Works Agreement contemplates a fixed price, lump sum EPC Contract, with a scope of work comprising the design, construction and commissioning of a wet concentrator plant, concentrate upgrade plant, zircon processing plant, ilmenite processing plant, low temperature roast, plant area civil works and process water systems, site administration buildings and other infrastructure to support the Project's ore processing operations. The Project schedule anticipates a delivery term of approximately two years.

GR Engineering intends to commence work under the Early Works Agreement immediately. Timing for the entry into and commencement of work under the EPC Contract remains subject to Sheffield progressing the requisite project funding and approval outcomes required for the Project.

Commenting on GR Engineering's appointment as preferred tenderer, GR Engineering's Managing Director, Mr Geoff Jones, said:

"We are pleased to have been appointed by Sheffield as preferred tenderer and to have entered into the Early Works Agreement for the delivery of the Thunderbird Mineral Sands Project. This represents a significant award for GR Engineering and demonstrates our proven expertise in the process engineering design and construction of mineral sands projects. We look forward to working with Sheffield on this globally significant project and delivering safe and successful outcomes for all parties involved."

Anticipated earnings from the Early Works Agreement are consistent with the guidance provided by GR Engineering in its FY17 financial results release. The Company will advise the market of the value and delivery timing of the works to be performed under the EPC Contract as and when that agreement is finalised.

Ends.



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GR Engineering Services Limited (ASX:GNG) is an ASX listed engineering design and construction contractor specialising in fixed price engineering design and construction services to the resources and mineral processing industry.

GR Engineering has successfully completed the engineering design and construction of projects for a diverse range of clients, including global mining houses, mid-tier miners and junior developers undertaking their first project. Traditionally an EPC contractor, GR Engineering also has the ability to contract through a variety of models, including EPCM and hybrid contracting arrangements.

GR Engineering also has a long history of providing a diverse range of process engineering consulting services, including feasibility study preparation and management, process design and peer review engagements. These services have been delivered for projects globally and play a key role in delivering organic growth opportunities through design and construction project execution.

The Company also has a presence in the hydrocarbons industry via its wholly owned subsidiary, Upstream Production Solutions. Upstream Production Solutions is a leading provider of operations and maintenance and well management services to the Australian and South East Asian oil and gas industry.

As a group, GR Engineering employs more than 450 professional and support staff throughout Australia and internationally, in addition to a direct construction workforce and subcontracted personnel.