

ASX RELEASE

LYCOPODIUM LIMITED SIGNS AGREEMENT TO ACQUIRE MAJORITY INTEREST IN ADP HOLDINGS (PTY) LTD

14 April 2014

Further to our announcement of 24 January 2014, Lycopodium Limited is pleased to advise that the due diligence process has been completed on ADP Holdings (Pty) Limited, a South African based engineering business established in 1997. Further, the parties have executed a binding agreement whereby Lycopodium Limited will, subject to satisfying certain conditions including obtaining the necessary governmental approvals, acquire a 74% shareholding in ADP Holdings with options over the remaining share capital. The timing for completion of the approvals is expected prior to 31 December 2014. The acquisition will be funded from cash reserves. Once completed ADP Holdings is expected to contribute 5-15% of annual NPAT to the overall group, based on 2013/4 forecast figures.

Africa has always been an important minerals market to Lycopodium. We have had a continuous presence in Africa since 1994 and have completed projects and studies in nineteen African countries. Through the acquisition of ADP, the combined skills of the companies will be targeting the gold and base metal sector with the opportunity for Lycopodium's clients to also benefit from the complementary South African skills pool. The synergies between the companies will allow entry into markets that neither firm has meaningfully operated in before. These synergies include new innovative, quality engineered solutions, a focus on developing the best techno-economic solutions for our clients and fit for purpose implementation strategies tailored to each and every project. New target markets include larger scale EPCM projects within ADP's traditional diamond and marine client base, smaller scale modular plants and EPC projects within Lycopodium's traditional market sector.

For further information

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