

ASX RELEASE

27 June 2016

ASX Market Announcements
20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam

Settlement of BC Iron Litigation

Further to the BC Iron Limited's (**BC Iron**) ASX Release on 24 June 2016, Watpac Limited (**Watpac** or **Group**) wishes to confirm it has entered into a settlement deed relating to the dispute with BC Iron over work previously completed at the Nullagine Iron Ore Project in WA.

The settlement includes a final payment by BC Iron to Watpac and the full withdrawal of all of BC Iron's claims and Watpac's counterclaims.

Watpac Managing Director, Martin Monro said the Group is very pleased to have this matter resolved.

"I can confirm that it provides for a payment to Watpac by BC Iron and the discontinuation of all claims against us".

"It was disappointing the matter proceeded the way that it did, but it is now resolved and this is a positive and welcome outcome for Watpac", Mr Monro said.

The majority of the amount due to be paid under the settlement deed relates to debtors impaired in the Group's 31 December 2015 half year result.

Yours sincerely,
WATPAC LIMITED



Mark Baker
COMPANY SECRETARY

WATPAC LIMITED
ABN 98 010 562 562

Level 1, 12 Commercial Road
Newstead QLD 4006

PO Box 2053
Fortitude Valley QLD 4006

Phone 07 3251 6300
Fax 07 3251 6393
Web www.watpac.com.au

