



ASX RELEASE

7 October 2011

For immediate release to the market

GR ENGINEERING SERVICES LIMITED (ASX:GNG) COMPANY UPDATE

GR Engineering Services Limited (ASX:GNG) is pleased to provide the following company update:

1. GNG has been awarded the Engineering Design Package for a new 1.6 Mtpa Gold Process Plant Facility located in Côte d'Ivoire (West Africa).
2. GNG has been awarded the EPC Contract for a Regrind Project for a major gold mine located in Australia.
3. GNG has been issued with a Conditional Letter of Intent to Award Contract for the EPC Contract associated with the refurbishment, upgrade and recommissioning of a 1.5 Mtpa Gold Process Plant Facility located in Australia.

On the basis that the Conditional Letter of Intent referred to in Item 3 above leads to a Contract execution, the total revenue value to GNG of Items 1 to 3 above will be in the order of \$55M of which about \$45M will report into this Financial Year (subject to project timing). On this basis, the total revenue in hand for this financial year currently stands in the order of \$150M.

It is particularly pleasing that all of the above awards are from Clients for which GNG has previously provided services. In addition, the awards under items 2 and 3 above result from the conversion of studies performed by GNG. This emphasises the importance of both repeat business to GNG and the value that GNG receives from successful feasibility study execution.

GNG is currently engaged in a total of 25 feasibility studies of which 17 are related to gold projects, both greenfields and brownfields. This includes 3 studies for African based gold projects and a further 3 international gold projects.

As per our ASX release of 6 September 2011, GNG is confident that further near to medium term study to EPC Contract conversions will occur with a positive result for revenue contribution in this financial year and beyond.

GNG is buoyed by its current work in hand (which is tracking to forecast budgets and schedules) and the pipeline of future potential work via the conversion of late stage feasibility studies particularly in the gold sector, which continues to perform strongly against a backdrop of volatile world financial markets.

Ends.

For further information contact:

Joe RICCIARDO
Managing Director

☎ (08) 6272 1547

✉ joe.ricciardo@gres.com.au

Joe TOTARO
Chief Financial Officer

☎ (08) 6272 1544

✉ joe.totaro@gres.com.au

GR Engineering Services Limited is a Perth based engineering consulting and contracting organisation providing quality process engineering design and construction services to the resources and mineral processing industry.

Since its foundation in 2006, the Company has experienced consistent organic growth. The Company was admitted to the official list of ASX Limited on 19 April 2011. GNG has 150 million shares on issue.