

22 August 2016

Contract Status Update

Matrix Composites & Engineering Ltd (ASX:MCE) refers to its announcement of 16 February 2016 in which it announced the notification from a shipyard customer of a Request for Cancellation in respect of two contracted orders for riser buoyancy systems, each to the value of US\$10.89m.

After a period of discussions between Matrix and its customer, Matrix is pleased to advise that it has been notified that the customer has reached an agreement with Ocean Rig UDW Inc (Ocean Rig) as the end user for delivery of the first system to be delayed until January 2019 in lieu of cancellation of the order. The second order also remains on foot and is subject to an 18 month standstill.

This follows recent statements made by Ocean Rig indicating that neither project had been cancelled and that its new build contracts were continuing.

Given the completion of the first riser buoyancy system by Matrix, discussions are continuing with regard to delivery and payment timing.

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For further information please contact Aaron Begley, Chief Executive Officer on +61 8 9412 1200 or email aaron.begley@matrixengineered.com

About Matrix Composites & Engineering (MCE)

Matrix Composites & Engineering ('Matrix') manufactures and supplies engineered products and services to the global energy sector. Matrix has an established reputation for developing and utilising advanced composite and polymer materials technologies and innovative manufacturing processes. This means its products are stronger, lighter and longer lasting, and can be manufactured and delivered within shorter timeframes.