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10 December 2018

Matrix successfully completes \$3 million placement to support growth in production

Matrix Composites & Engineering Ltd (ASX:MCE, “Matrix” or the “Company”) is pleased to announce binding commitments from institutional and sophisticated investors for a share placement of \$3 million (“Placement”).

The Placement received strong interest, being well supported by new and existing shareholders.

Matrix Chief Executive Officer Aaron Begley said the funds would support the Company as it ramps up production in FY19 to deliver on its order book and ensure Matrix is well placed for future orders.

“Matrix currently has \$43 million in work secured across the Company’s oil and gas, transportation, and infrastructure clients under our diversification strategy, underwriting plant production through to the end of CY2019,” Mr Begley said.

“This placement will enhance Matrix’s position to ramp up production at our Henderson facility in delivering on this work as well as to secure and deliver on future orders.

“We’re seeing a pick-up in the oil and gas sector with a growing order pipeline and have pleasingly started to see this convert into orders, such as the recent award of a \$15.3 million drilling riser buoyancy contract last month.

“I am pleased with the strong interest we received from shareholders and their support for our growth strategy.”

Based on the Company’s current order book, Matrix expects to deliver revenue in the range of \$35 million to \$40 million in FY19, up from \$19.5 million in FY18, with revenue strongly weighted to the second half FY19 as production on larger orders ramps up.

Details of the Placement

From the Placement, the Company will raise \$3 million (before costs) via the issue of 8,571,429 million shares (“New Shares”) at an issue price of \$0.35 per share. This represents a 10.3% discount to the Company’s last close price of \$0.39 and a 10.5% discount to the Company’s 5-day VWAP of \$0.3909.

The Placement has been conducted pursuant to the Company's existing placement capacity under ASX Listing Rule 7.1. Accordingly, no shareholder approval is required for the Placement.

Settlement of the Placement is scheduled for Monday, 17 December 2018 with New Shares expected to commence trading on ASX on Tuesday, 18 December 2018. New Shares issued under the Placement will rank pari passu with existing ordinary shares on issue.

Following completion of the Placement, the Company will have 102,321,429 shares on issue.

Argonaut Securities Pty Limited acted as Lead Manager to the Placement.

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For further information please contact:

Investors

Aaron Begley
Chief Executive Officer
Ph: +61 8 9412 1200
Email: aaron.begley@matrixengineered.com

Brendan Cocks
Chief Financial Officer
Ph: +61 8 9412 1200
Email: brendan.cocks@matrixengineered.com

Media

Adrian Watson
FTI Consulting
Ph: +61 8 9321 8533
Email: adrian.watson@fticonsulting.com

About Matrix Composites & Engineering

Matrix Composites & Engineering specialises in the design, engineering and manufacture of composite and advanced material technology solutions for the oil and gas, civil and infrastructure, resources, defence, and transportation industries. With more than 40 years' experience, Matrix has gained a reputation as an industry leader and has become a major exporter of Australian goods and services with customers located all over the world. From its award-winning head office in Australia and offices in the United States, and a global network, Matrix is uniquely positioned to deliver complete turnkey solutions offerings with localised customer support.

More information can be found at www.matrixengineered.com