

ASX RELEASE

3 July 2012

ASX Market Announcements
20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam

Watpac secures \$35M contract variation on Nullagine Iron Ore Project

In accordance with Listing Rule 3.1, Watpac today advises that it has secured a \$35 million contract variation on the Nullagine Iron Ore Project in Western Australia's Pilbara region. A press release is attached.

Yours sincerely,
WATPAC LIMITED



Mark Baker
COMPANY SECRETARY

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PRESS RELEASE

3 July 2012

Watpac secures \$35M contract with BC Iron Nullagine Pty Ltd

Watpac Civil and Mining today announced it had secured a \$35 million variation to its mining services contract on the Nullagine Iron Ore Project – a 50/50 joint venture managed by BC Iron Nullagine Pty Ltd, a wholly owned subsidiary of BC Iron Limited – in the heart of Western Australia’s Pilbara region.

The works include haulage of ore from the Project’s satellite mines to the Run-of-Mine (ROM) stockpile over the next four years.

The new work is a modification to an existing \$289 million mining services contract to deliver surface mining services for the Joint Venture including loading and haulage of ore and waste, mobile and fixed crushing and topsoil and vegetation relocation.

BC Iron announced on Wednesday that it had recently achieved the fourth and final operational milestone on the project by exporting 3.55Mt of ore ahead of schedule and is now achieving a steady production rate of 5Mt per annum.

Watpac Civil and Mining is a major contractor on the Project and since November 2011, has regularly exceeded monthly production targets which has assisted BC Iron to achieve their operational guidance for FY12.

Watpac Civil and Mining National General Manager Hedley Davis said the company was delighted to expand its working relationship with BC Iron on the Nullagine Iron Ore Project.

“Watpac Civil and Mining is pleased to continue delivering high-quality mining services on the Nullagine Iron Ore Project and we are particularly proud of the role we have played in assisting BC Iron to deliver the fantastic results in the first half 2012,” Mr Davis said.

“The Watpac mining team has a strong relationship with BC Iron and we are 100 per cent committed to continuing to strive for excellent production rates on the project,” he said.

BC Iron Managing Director Mike Young said: “In achieving our FY12 guidance targets, BC Iron’s consistent outperformance is in part attributable to the significant contribution from our key contractors which include Watpac.”

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Watpac's mining services include contract open-cut mining, crushing and screening, run-of-mine (ROM) management, top soil stripping, and drill and blast services.

Watpac Civil and Mining maintains a large fleet of mining and earthmoving equipment, including 200 tonne excavators, 150 tonne dump trucks, large dozers and scrapers.

For further information: Media – Anita Kharbanda, Corporate Affairs Manager on 07 3251 6333 or 0420 696 937
Investor Relations – Mark Baker, Chief Financial Officer on 07 3251 6442

Note to editors: Watpac is a leading, national construction, civil and mining contracting and property development group. We have been listed on the Australian Stock Exchange since 1985 and have offices in Brisbane, Townsville, Sydney, Melbourne, Adelaide and Perth. More information is available at www.watpac.com.au.

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