

6 July 2017

Business Update

- **Encouraging progress on Mozambique LNG projects**
- **Constructive discussions continue on labour broking venture**
- **Futuro Skills performing well with high level of enquiry**
- **Provision of training services underway at Rio Tinto's Oyu Tolgoi mine in Mongolia**

Labour solutions provider RBR Group Limited (ASX: RBR) ("**RBR**", "**the Company**") is pleased to provide an update on its business operations in Mozambique and Mongolia, where major resources projects are expected to drive a substantial increase in demand for labour, training and vocational education services over coming years.

Mozambique LNG Projects

RBR notes with optimism the significant progress made in recent months on liquefied natural gas (LNG) projects proposed for Mozambique. In combination, these projects are estimated to require up to 50,000 workers at peak construction, with the Mozambican government imposing strict requirements in relation to local workforce development and employment.

On 1 June 2017, Italian company Eni signed off on its US\$8 billion Coral South floating LNG (FLNG) project, with first gas expected to flow in 2022. The construction of the FLNG facility and its associated risers and subsea flowlines system, as well as the installation of the umbilicals and subsea equipment, will commence imminently. Coral South is forecast to generate US\$16 billion in revenue for Mozambique over an initial 25-year life, but is characterised as "just an appetiser" compared to other projects slated for the Rovuma Basin.

Anadarko is yet to give a clear indication as to when it will make a final investment decision (FID) on its US\$24 billion AMA1 LNG project. However, the US company recently issued a tender for land demarcation and clearing/preparation services for a 2,262 hectare agricultural site and has been hiring additional in-country staff.

The Mozambique government has also recently finalised terms and conditions for Anadarko and Eni to develop a Marine Offloading Facility to service Areas 1 and 4 of the Rovuma Basin. As arguably the key issue delaying FID on AMA1, this is a major step forward for the project.

Through its PacMoz subsidiary, RBR is one of a small number of companies that currently hold a labour broking licence in Mozambique and is therefore strongly positioned to service the staffing needs of the multinational oil and gas companies and their subcontractors. RBR is actively enhancing its capabilities in the labour broking sector in order to capitalise on the inevitable demand for skilled expatriate and local workers.

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Futuro Skills Mozambique

Futuro Skills Mozambique (FSM), RBR's in-country training subsidiary, continues to perform well, securing a new contract with Swisscontact, an organisation focused on promoting sustainable economic development in developing countries, and repeat business with integrated energy and chemical company Sasol.

Swisscontact has an association with the Mozambican Federation of Contractors (FME), and has engaged FSM to provide construction-related training to 40 employees nominated by FME member companies. The program will commence in July at FSM's new Matola facility in Maputo.

The Sasol contract, which involves the provision of three training programs for employees at Sasol's Temane facility, is worth more than \$100,000. The programs are being delivered over 70 training days during the course of May, June and July.

FSM has experienced a high level of enquiry recently, including for HSE and maritime training. The business is investigating options for expanding its offerings in these areas, as well as securing repeat work with past clients.

Futuro Skills Mongolia

In late March 2017, Futuro Skills secured a contract to provide training and development services at Rio Tinto's Oyu Tolgoi copper-gold mine in Mongolia in partnership with local organisation, Mongolia Talent Network.

The first tranche of this program was delivered in June by Futuro Skills, with the next tranche due in mid-July. RBR anticipates there will be opportunity to expand the relationship with Rio Tinto beyond the scope of the initial contract as the US\$5.3 billion stage 2 expansion of Oyu Tolgoi progresses.

Media and Investors

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ABOUT RBR GROUP: Perth-based RBR Group is a leading provider of holistic labour solutions to the resources and construction sectors globally. Through its subsidiaries, RBR has the capacity to deliver a range of services including labour broking, international standard training, permitting and visa coordination, pre-employment medicals, occupational health monitoring, injury management and on-site medical support. RBR is one of only a handful of companies that holds a labour broking licence in Mozambique, positioning it strongly to assist in meeting the substantial training and resourcing needs of the country's burgeoning liquefied natural gas industry. The company is also seeking to expand its presence in other emerging markets with strict local content laws and generally low levels of education and training and owns a registered training organisation in Australia.

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