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CONTRACT DISPUTE WITH THIESS DECMIL KENTZ JOINT VENTURE

Nomad Building Solutions Limited (Nomad) advises that it has received a liquidated damages claim for \$4.25 million in line with the maximum allowable under the contract from the Thies Decmil Kentz Joint Venture (TDKJV). The claim relates to delays in delivery on components in a contract awarded to Nomad Modular Building in July 2009, to design and manufacture central facilities buildings for Chevron's Gorgon liquefied natural gas project on Barrow Island.

The contract, valued at approximately \$43 million, included kitchens and dining rooms to cater for over 3,000 people, a communications building, 2 wet messes and 14 other associated administration and recreational buildings.

The project complexity was high for modular construction buildings. This factor, coupled with significant and late design changes to the facilities by the TDKJV and the various compliance requirements for the Barrow Island site, presented Nomad Modular with a number of challenges and difficulties which adversely impacted on the first-phase of design and construction.

These challenges were subsequently dealt with and Nomad Modular was able to complete the construction of all the buildings by 17 December 2010, compared with the 15 December 2010 requirement under the terms of the contract.

Nomad is currently considering its position with regard to the liquidated damages claim together with any potential impact on the Company's half year financial results which are due to be released in late February. Nomad intends to resist TDKJV's claim and has claims against TDKJV for work completed amounting to some \$4m.

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Nomad is a leading provider of integrated manufacturing, construction and property development solutions, particularly in regional and remote areas of Australia. It specialises in modular, factory built buildings.