

27 December 2013

Gorgon Construction Contract – Settlement and Release

Nomad Building Solutions Limited (**Nomad or Company**) subsidiary Nomad Modular Building Pty Ltd (**Nomad Modular**) entered into a supply contract with the Thiess Decmil Kentz Joint Venture (**TDK**) for the Gorgon Construction Village Central facilities on 3 September 2009.

During the course of the contract TDK has made various claims including liquidated damages and back charges for work taken out of the hands of Nomad Modular or for correcting incomplete or defective work. In addition Nomad Modular has made various claims against TDK in the nature of variations, extensions of time and delay and disruption costs.

To avoid the cost, inconvenience and uncertainty of further disputation, TDK and Nomad Modular have agreed to bring all obligations and liabilities arising under the contract to an end, including but not limited to liquidated damages, warranty claims, defects and any other claims.

As part of the settlement Nomad Modular will make a final cash payment of \$2,070,747.50 to TDK and TDK will return bank guarantees to the value of \$2,160,664. The final payment will be released from funds held in trust with Westpac Banking Corporation and does not impact current working capital. The amount payable to TDK has been previously fully provided for, and as such will not impact current profit.

The Directors of Nomad see this as a significant milestone in de-risking the business and closing out legacy issues and enabling the Board and Management to focus on strategies to create value for shareholders.

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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.