

27 September 2018

RBR set to complete key accreditation audit, paving way for it to capitalise on US\$50b Mozambican LNG boom

RBR Group (ASX: RBR) is pleased to advise that it is set to complete an accreditation audit by the UK's Engineering Construction Industry Training Board (ECITB), marking another pivotal step in the Company's strategy to become a major supplier of personnel and training services to the impending US\$50 billion LNG construction boom in Mozambique.

The scope of the audit, which is scheduled to finish this Friday 28 September, includes health and safety as well as the five technical disciplines (non-critical welding, scaffolding, rigging, pipe fitting and steel erecting) which are expected to account for the bulk of the LNG construction workforce.

Based on feedback from the auditor, RBR is confident it will become the first organisation in Mozambique to secure ECITB accreditation.

Global petroleum giant Anadarko, which owns one of the Mozambican LNG projects, has stipulated that all workers contracted to its project must hold internationally-recognised qualifications, with ECITB qualifications identified as being most suitable for the local workforce. There is an expectation that the other major project proponents, ExxonMobil and Eni, will adopt the same standard.

This means the anticipated ECITB accreditation will leave RBR strongly positioned to capitalise on the significant training and labour hire opportunities which will flow from the LNG boom. RBR will be authorised to assess and train potential workers against the ECITB standards, preparing them for employment in the LNG industry via RBR's recruitment services.

The giant LNG projects are expected to require a peak construction workforce of up to 50,000 with a requirement from government that a material portion of the workforce be locally sourced.

In the case of the Anadarko-led LNG project in Mozambique (two initial trains with a capacity of 12Mtpa), four major "early works" capital projects have already been approved to enable construction to start as soon as the Final Investment Decision is made.

These early works capital projects are:

- i. The construction of a sealed road between Palma and Afungi;
- ii. The construction of an airstrip in Afungi;
- iii. Delivery of the Anadarko camp. The first containers are at sea; and
- iv. Increasing capacity of housing for construction workers from 400 to 1,150 beds.

The above capital projects are in addition to resettling the 1,500 families who live in the Afungi area where the LNG facilities will be built. This resettlement process started earlier this year.

RBR GROUP LIMITED

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Above: Containers destined for the Anadarko LNG Project arriving at Mocimboa da Praia

Anadarko has recently issued several public calls for "Expression of Interest" for the supply of services, including: global employment services (closed on 13 July 2018); marine warranty survey services (closed on 13 August 2018); global staffing services (closed on 7 September 2018); consultancy services for project management, project engineering, and construction engineering activities for the EPC onshore construction of the Mozambique LNG plant and loading facility (closed on 10 September 2018); and global human resource readiness support (closed on 14 September 2018).

RBR's capacity and capability to deliver a level of service which is superior to that ordinarily available in Mozambique will bolster its ambitions to secure a share of the long-term LNG service contracts.

Since establishing operations in Mozambique, RBR believes it has put in place all the elements required to achieve its vision "to be the leading provider of local and expatriate staffing solutions to the US\$50b Mozambique LNG construction boom".

As part of its extensive preparations to service the Mozambican LNG industry, RBR has:

- Secured a labour broking licence, which is central to RBR's labour supply aspirations;
- Gained access to over 110,000 Mozambican job-seekers;
- Developed the innovative FuturoCARD portable training record;
- Built a reputation as the country's premier training company, in addition to being a provider of labour services (HR support, payroll, visas, permits and immigration);
- Undertaken an audit to secure accreditation as Mozambique's first provider of the UK's Engineering Construction Industry Training Board's qualifications;
- Established a high-profile dedicated training centre in the capital, Maputo, with the facilities, plant and equipment to deliver its services, as well as a country-wide network of offices, staff and strategic business alliances.

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Non-LNG Training Contracts

On 18 May 2018, RBR announced it had secured new training contracts in Mozambique worth almost A\$500,000.

Further contracts have been secured with international groups including: South32's Mozal aluminium smelter; Grindrod's Terminal De Carvão da Matola (TCM) which operates the coal terminal in Maputo; Hytec, a subsidiary of Bosch Rexroth, the world-leading hydraulic, pneumatic and automation products, repairs and services supplier; and Swisscontact, the business-oriented foundation for international development cooperation, operating in 36 countries.

RBR anticipates these new and existing contracts will generate total revenue of **~A\$300,000** in the six months to end-December 2018.

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