

31 August 2020

## **Update on UKaid-Funded JOBA Construction Skills Internship Programme**

The following is provided as an update on progress with RBR Group's JOBA Construction Skills Internship Programme (CSIP). This Contract was awarded to RBR's Mozambique training subsidiary Futuro Skills and is part of the UK Department for International Development (DFID) Skills for Employment (S4E) Programme, known locally as JOBA. See ASX announcement dated 14 April 2020.

At the time this Contract was awarded, COVID-19 was starting to make its presence felt with a small number of infections at the LNG site near Palma, northern Mozambique. This, together with other factors, created some uncertainty on the LNG project construction schedule, so the CSIP was a Contract that underpinned the Company's investment in its new Wentworth operations base in Palma, and provided work for the trainers and support staff while the LNG project plans were being clarified.

As detailed in RBR's recent Mozambique Operations Update (7 July 2020) and June Quarterly Report (31 July 2020), the Company has made significant progress in preparing the Wentworth operations base for the commencement of the CSIP as soon as the government lifts the COVID-19 restrictions on group gatherings and training activities (recently confirmed to be from 1 September 2020). The facility is now ready, the Company has applied for the necessary health department inspection before commencing activities and staff are in place.

In addition to the preparations on site, the Company has completed significant preparatory activities in accordance with the approved JOBA project plan – much of this activity was related to development of course content, staff training, operational and IT systems implementation, support infrastructure and other professional/personnel time, as well as direct expenditure on equipment, licenses, insurances and physical facilities.

Under the agreed terms of the Contract, a portion of this preparatory expenditure is reimbursable by JOBA and RBR's assessment is that it amounts to approximately \$200,000. A portion has already been paid (\$20,000), a portion already invoiced and awaiting payment (\$101,500), and the remainder is undergoing JOBA's verification processes prior to invoicing.

The Company has been advised that the UK Government is reviewing its worldwide "Official Development Assistance (ODA)" budget, which is the aid funding budget. ODA is directly based on Gross National Income (GNI) which has contracted as a result of the COVID-19 pandemic. This in turn has resulted in DFID seeking cost savings of GBP2.9 billion across their global aid portfolio. RBR's CSIP Contract amounts to less than 0.02% of the targeted reduction.

RBR has not received formal notification of any reductions in the contracted CSIP grant. However, JOBA have requested RBR review its CSIP schedule/timeframe, scope and expenditure plans with a view to identifying potential cost savings.

In the likely event that the CSIP is scaled back or curtailed, a positive is that this will free up otherwise limited resources and operational capacity to fast-track the training of locals and placing them with employers under commercial terms.

Discussions have commenced with JOBA in good faith. RBR will advise of any material developments as they unfold.

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For the purpose of ASX Listing Rule 15.5, the Executive Chairman and Chief Executive Officer have authorised for this announcement to be released.

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