



**Engineering Success**

## **Update on Heads of Agreement for Ownership Transfer of Luerssen**

Civmec Limited ("Civmec" or the "Group", ASX:CVL, SGX:P9D) would like to provide an update on the Heads of Agreement for Ownership Transfer of Luerssen Australia.

### **Update on Heads of Agreement for Ownership Transfer of Luerssen Australia**

On 15 October 2024, Civmec Limited (ASX:CVL, SGX: P9D) and NVL B.V. & Co. KG (Naval Vessels Lürssen) of Bremen, Germany, announced a non-binding Heads of Agreement outlining the framework for the transfer of ownership of Luerssen Australia Pty Ltd to Civmec Limited. Luerssen Australia is responsible for building six Arafura Class Offshore Patrol vessels for the Royal Australian Navy under the SEA 1180 contract.

The Heads of Agreement includes the transfer of all NVL's shareholding in Luerssen Australia to Civmec, encompassing all assets, employees, and licences.

The successful transfer of ownership will ensure the continued design and construction of the Arafura Class Offshore Patrol vessels at the Osborne South shipyard in South Australia and Civmec's facility in Henderson, Western Australia.

The transaction is contingent upon obtaining consent from the Commonwealth, satisfactory due diligence and meeting Conditions Precedent.

### **Positive progress on due diligence and revised Effective Date**

Civmec has made positive progress with the due diligence process, and the parties have continued to explore opportunities to maximise efficiency measures and synergies on the SEA 1180 project whilst working closely with the Commonwealth to secure consent.

The parties are now working towards a revised Effective Date for the transfer of ownership to be on or before 1 July 2025 which will ensure sufficient time for necessary preparations, enhancing operational efficiencies to ensure a seamless transition.

### **Service Level Agreement**

While the due diligence and consent process is underway, the parties have entered into a Service Level Agreement to immediately implement program efficiencies and cost reductions.

The Service Level Agreement established between Civmec Construction & Engineering Pty Ltd and Luerssen Australia Pty Ltd, will enable Civmec to provide Luerssen Australia with shipbuilding services and operational support. Civmec's shipbuilding and operational support under the agreement will continue until the successful transfer of ownership or the end of the agreement's term.

The Service Level Agreement is a framework agreement that allows the parties to expand the scope over time, enabling them to combine their capabilities effectively. The shipbuilding work is performed on a do-and-charge basis, ensuring flexibility and responsiveness to the project's needs.

This agreement ensures that both parties can begin realising the benefits of their collaboration without delay, enhancing the overall efficiency and effectiveness of the SEA 1180 project.



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Civmec's Executive Chairman, Mr Jim Fitzgerald, said

*"We have made significant and positive progress on our due diligence for the purchase of Luerssen Australia. Our new Service Level Agreement with Luerssen Australia will allow Civmec to provide additional support to the build of the Offshore Patrol Vessels, increasing confidence in the programme's delivery and ensuring a seamless transition."*

Luerssen Australia's Chairman (and CEO of NVL), Mr Tim Wagner said

*"We are satisfied with what we have achieved in this timeframe with Civmec and welcome their additional contribution to the benefit of the SEA1180 project. We are striving for the same goal and we will support the Commonwealth and Civmec to close out all conditions precedent and remaining items for a successful transaction."*

This announcement was authorised for release to the ASX and SGX by the Board of Directors.

**\*\*\*\*\*End of Release\*\*\*\*\***

### **About Civmec Limited**

Civmec is an integrated, multi-disciplinary construction and engineering services provider to the Energy, Resources, Infrastructure and Marine & Defence sectors. Headquartered in Henderson, Western Australia, Civmec has regional offices in Newcastle (New South Wales, Australia), Gladstone (Queensland, Australia), and Port Hedland (Western Australia). The company is incorporated in Australia and listed on the ASX (Australia ASX:CVL) and SGX (Singapore SGX:P9D) and the Its core capabilities include heavy engineering, shipbuilding, modularisation, SMP (structural, mechanical, piping), EIC (electrical, instrumentation and control), precast concrete, site civil works, industrial insulation, maintenance, surface treatment, refractory and access solutions.

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