

14th April 2010

MATRIX COMPOSITES & ENGINEERING LTD ANNOUNCES \$13.5 MILLION CAPITAL RAISING

Highlights

- **A\$13.5 million raised before costs through a share placement priced at A\$2.25 per share**
- **Share placement to Institutional and Sophisticated Investors**
- **Proceeds to fund the plant and fit-out of the Henderson facility**
- **Henderson facility construction is on schedule**

Matrix Composites & Engineering Limited (ASX: MCE) (**Matrix**) today announced it has placed 6 million fully paid ordinary shares at a price of \$2.25 per Share, raising gross proceeds of \$13.5 million. The price of \$2.25 represents a discount of 9.3% on the 20 day VWAP (Volume Weighted Average Price) value of \$2.43. The shares have been issued to Australasian institutional and sophisticated Investors pursuant to ASX listing rule 7.1.

The proceeds of the Capital Raising will be used to fund future growth of the Company, primarily to fund the plant and fit-out of the Henderson facility. The Henderson facility will significantly increase Matrix production capacity, allow the development of new products and provide a number of operational advantages and cost savings.

The Capital Raising was managed by Argonaut Securities Pty Limited. Settlement of the Placement is scheduled for Monday, 19 April 2010.

Matrix's Chief Executive Officer, Mr. Aaron Begley said he was pleased to make this offer to institutional and sophisticated investors.

"Proceeds from this capital raising will enable the company to realise a state of the art operation in Henderson and position the company to pursue other initiatives and opportunities that will underpin long term growth for the business", said Mr. Begley.

"Matrix is well positioned to benefit from strong market fundamentals and has identified a number of opportunities, particularly in the offshore LNG industry."

"Following the completion of Henderson we will have the only dockside buoyancy plant in the world and will be well placed to manufacture and distribute buoyancy products to the growing deep sea oil & gas industry."

"Having received \$25 million in product orders in the month of March alone, we will welcome the increase in capacity that the Henderson facility will deliver."

"The Henderson facility will also allow us to continue our ambitious program of product development such as the planned launch of a cryogenic insulation product range, products that will be sold into the growing LNG industry."

Construction of the Henderson facility continues to be on schedule, with the erection of the main assembly hall nearly complete. The fit-out costs for the facility are expected to be approximately \$26 million, which will now be fully funded through a combination of debt and equity. First production at the Henderson facility is expected in Q1 FY11.

Matrix achieved record financial and operational performance results for H1 FY10 and is continuing to achieve strong revenue growth in H2 FY10.

The Advanced Materials Division achieved more than \$10 million in revenue for the month of March some \$2 million more than the previous monthly record. This result for the Advanced Materials Division, up nearly 40% in March compared to average monthly output for the previous eight months, reflects the benefits flowing from the improvement program implemented in H1 FY10.

For further information please contact

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ABOUT MATRIX

Matrix Composites & Engineering is a leading engineering company providing critical, engineered product solutions for the offshore, subsea, mineral processing, military and manufacturing industries. Matrix specialises in the design, application and manufacturing of products based on advanced composite materials, engineering plastics and elastomers. Matrix designs and manufactures high performance products through its oil & gas, mineral & industrial and advanced materials businesses. Matrix is an Australian based company that services the international market via a global network of agents, distributors and subsidiaries. Matrix currently exports to 37 countries.