

INVESTOR UPDATE

Matrix Composites & Engineering Ltd

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"A Sea of Buoyancy" - in a dockside assembly yard in Asia

Highlights

- ✦ 1H FY11 unaudited management account numbers:
 - ✦ YTD Group Sales \$92.4million
 - ✦ YTD Group NPBT \$27.4million, includes:
 - ✦ \$1.3million gain on revaluation of 2015 currency option
 - ✦ \$0.6million impairment of the balance of development costs and associated goodwill of the Raptor CBS tool
- ✦ Order book of approximately \$180 million at the end of January 2011.
- ✦ \$40million in new orders booked since November from local and international clients.
- ✦ Open quotation book in excess of \$400million, reflecting strong increase in demand.



Matrix Deepwater Buoyancy offshore West Africa

Highlights

- ✦ Expansion of Sales & Marketing Team to increase coverage in Asia and Oceania.
- ✦ Specialist engineers recruited for SURF product development.
- ✦ Major orders obtained from several new key international clients
- ✦ Diversification of business lines into SURF applications, ROV, Marine Operations and downhole products is continuing, increasing exposure to these growth markets.
- ✦ Successful launch of drilling and completions centraliser product line.



*This ROV Utilises Matrix's Ultralight Carbon Fibre Syntactic Foam Buoyancy. **



The "Matrix" all composite body completions centraliser

**Photo Courtesy of Total Marine Technology*

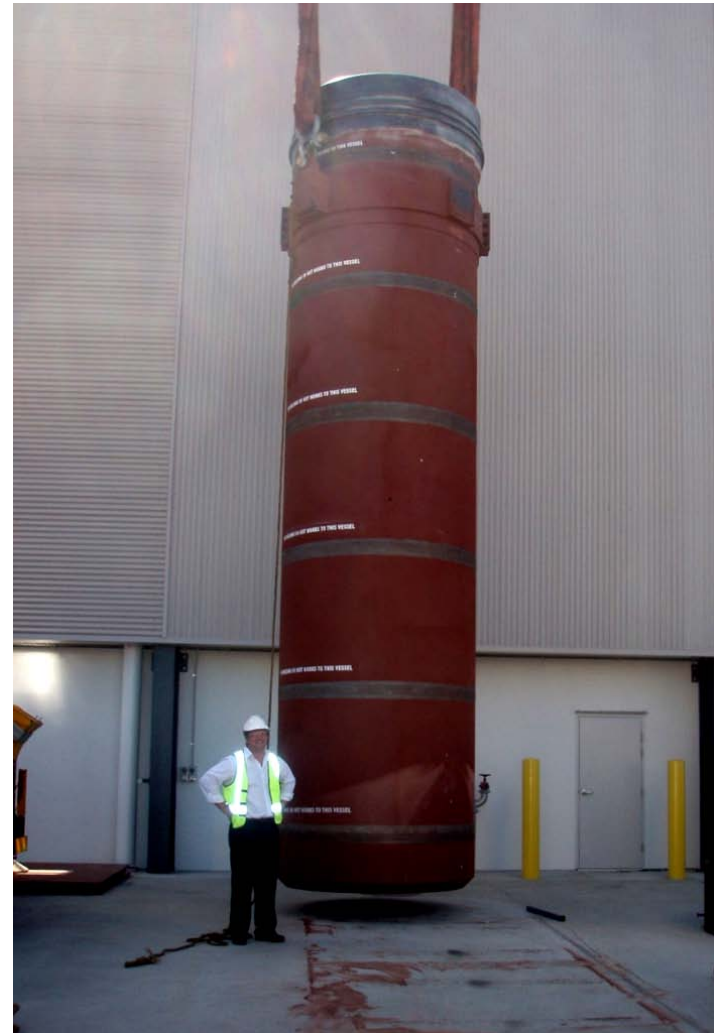
Henderson



"Looking North West" – The Henderson Plant, the world's largest & most sophisticated composite Syntactic Foam Plant

Henderson

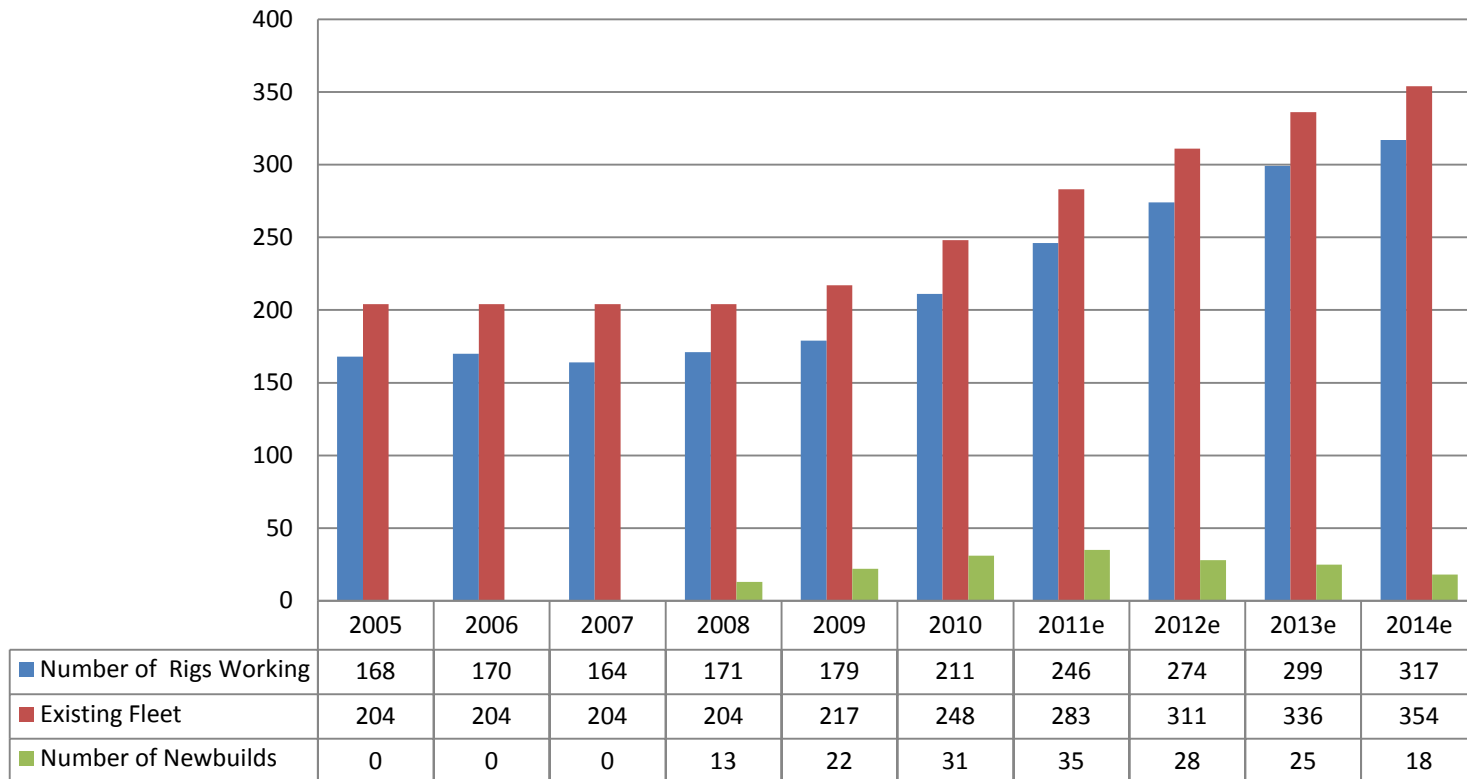
- ❖ Henderson Stage 1 commissioning proceeding through January to March.
- ❖ Malaga Plant Output has been increased to satisfy project delivery requirements.
- ❖ Final build cost estimated at \$64million (plant fit out and building).
- ❖ All Major Equipment lines Installed.
- ❖ New Ultra Deepwater Hydrostatic Simulation Chamber undergoing commissioning



Paul Riordan GM of Matrix Offshore Services & Engineering Division Standing next to Matrix's new 5000msw rated deepwater Chamber – weighing in at 63,000kg. The Chamber was designed and manufactured by Paul's team.

Outlook – Marine Riser Products

- ✦ New Gulf of Mexico regulations and a rising oil price is driving a new construction cycle for Drillship and Semi-submersibles.



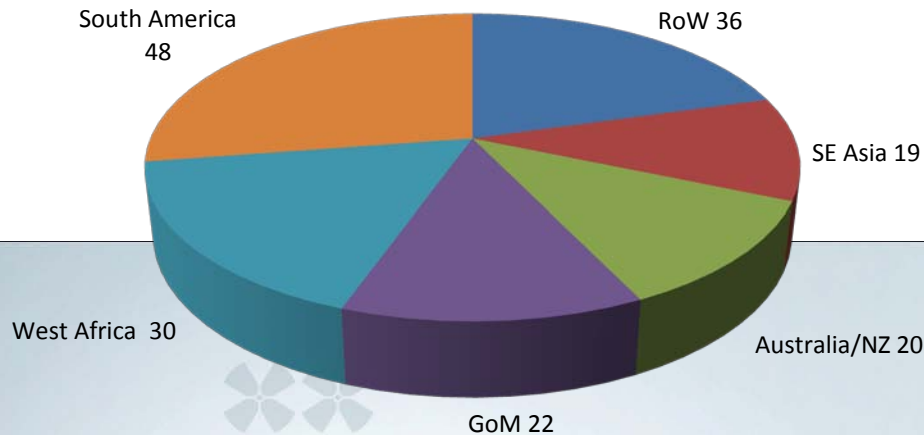
Source : MC&E Marketing Dept Rig Fleet Research Study January 2011

Offshore Construction Project Pipeline

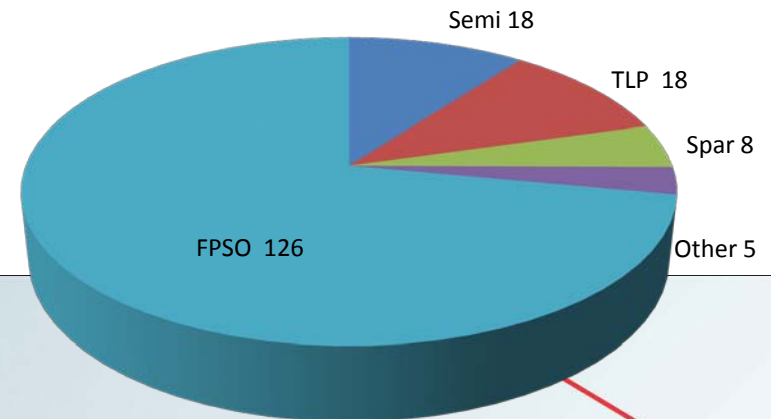
- ✦ A growing and large project pipeline for floating production systems, will drive increased demand for SURF products.

Upcoming demand for floating production systems based on oil company plans

By Region.....



By Type.....



Source : MC&E Marketing Dept Rig Fleet Research Study January 2011,
Excludes FSO's

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