

NEWS RELEASE

21st October 2015

TELLUS APPOINTS UGL LIMITED AS LEAD ECI CONTRACTOR

-  **Tellus appoints UGL Limited as lead contractor on Early Contractor Involvement basis**
-  **In stage one, UGL and Tellus to deliver Bankable Feasibility Studies for the Chandler and Sandy Ridge Projects**
-  **In stage two, the parties will negotiate a potential Engineering, Procurement and Construction (EPC) contract and Operations and Maintenance contracts**

Tellus Holdings Ltd (“Tellus”) is pleased to announce it has taken a major step towards project development of its Chandler and Sandy Ridge Projects by appointing UGL Limited (“UGL”) as lead contractor on an Early Contractor Involvement (ECI) basis. UGL will collaborate with a consortium of supporting specialist sub-contractors.

Following an extensive prequalification and ECI selection process, UGL has been selected as lead contractor, initially on an ECI basis with the aim of finalising stage one Bankable Feasibility Studies (BFS) for the Chandler and Sandy Ridge Projects.

In stage two, subject to agreeing acceptable terms, Tellus will award a final lump sum Engineering, Procurement and Construction (EPC) contract and key Operations and Maintenance (O&M) contracts.



Fig 1: Tellus and UGL share a strong safety culture

The company expects to finalise the ECI long form agreement within the next three months.

“UGL has demonstrated the ability to successfully deliver complex mining, oil and gas and infrastructure projects around Australia and South-east Asia. We are pleased to be able to use UGL’s multi-disciplined experience, ability to transition from ECI to EPC, value for money, infrastructure build and operations, safety performance and Indigenous involvement during the development of our Sandy Ridge and Chandler Projects,” said Tellus Managing Director, Duncan van der Merwe.

“The involvement of a company of UGL’s capability demonstrates the confidence it has in the quality of our projects and their place in the Australian infrastructure market.”

Tellus thanks all participants for their involvement during the ECI selection process.



About UGL Limited:

UGL Limited (ASX: UGL) is a leading provider of engineering, construction and maintenance services with a diversified end-market exposure across the core sectors of rail, technology systems, power, resources, water and defence. Headquartered in Sydney, Australia, UGL operates across Australia, New Zealand and South-east Asia employing over 8,000 people, including subcontractors.

About Tellus Holdings:

Tellus Holdings Ltd is an infrastructure project development company with a proposed dual revenue infrastructure business model. This involves mining the commodities salt and kaolin and backfilling the voids left from mining with equipment, archives or long term temporary storage of waste. Tellus plans to store like-with-like materials, so as to create opportunities for the future long term, temporary storage, treatment and recovery of valuable materials or permanent isolation of waste. Tellus' business model mirrors world's best practice solutions operating in the UK, Europe, USA and Canada. Tellus is developing the Chandler project in the Northern Territory (NT) and the Sandy Ridge project in Western Australia. Tellus' flagship 'Chandler Project' has been awarded Major Project Status by the Northern Territory Government.

For further information:

Visit: www.tellusholdings.com.au or contact:

Duncan van der Merwe	Managing Director	Tel: +61 (0)2 8257 3395
Corporate and Chandler Project: Jane Munday	Michels Warren Munday (Media)	Mob: +61 (0)427 880 083
Sandy Ridge Project: Cameron Morse	FTI Consulting (Media)	Tel: +61 (0)8 9485 8888