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ASX Announcement

20 November 2019

Strategic alliance with Babbage Consultants, New Zealand

Melbourne, Australia: The Board of engineering product and solution provider Synertec Corporation Limited (ASX:SOP, "Synertec") is excited to announce that a strategic alliance has been formalised with Babbage Consultants ("Babbage") to jointly bid for future business opportunities. The alliance will be known as the Synertec & Babbage Partnership (S&BP).

Key Highlights for Synertec

- ✓ The partnership is already engaged in active project bidding opportunities.
- ✓ This arrangement expands Synertec's reach in its strategic industries of pharmaceutical, dairy and water.
- ✓ Babbage Consultants are one of New Zealand's leading providers of tailored consultancy services across architecture, engineering, surveying, land development, environmental consulting and project management, with established offices and over 200 people across New Zealand and in Melbourne, Australia.
- ✓ The partnership formalises a mutually beneficial relationship which combines the highly specialised services of both companies to provide capability and scale that will enable S&BP to competitively bid and deliver on large engineering design, procurement and construction ("EPC") contracts across Australia, New Zealand and globally.
- ✓ S&BP has renowned combined experience in designing and constructing state-of-the-art clean environment and complex process handling facilities in the pharmaceutical and dairy industries.
- ✓ This is another example of an important strategic alliance by Synertec, following on from the strategic marketing partnership established in September 2018 with Trelleborg Group for the global marketing of Synertec's LNG Custody Transfer System (and related services) in the oil and gas industry.
- ✓ Alliances are considered a highly effective and practical mechanism for efficiently supporting and leveraging Synertec's growth initiatives. This is an important strategic focus highlighted in the recent Strategy Update announced to the ASX in August 2019.
- ✓ Synertec continues discussions with other organisations with a view to creating further strategic associations.

Managing Director of Synertec, Michael Carroll said:

"We are very excited to have formalised our relationship with Babbage. We view Babbage as an excellent strategic partner given its demonstrated capability and reputation for innovation and partnering with its customers, as well as providing Synertec with access to some of New Zealand's larger engineering projects across markets in which we both have a long and successful track record."

Babbage has a proud 80-year history delivering large complex projects in the infrastructure, pharmaceutical, dairy and property industries. Synertec also has a strong reputation as a leading provider of highly specialised engineering products and services in Australia, also across these industries, and we believe that this arrangement with Babbage has the potential to be highly beneficial to both organisations and our customers."



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ASX Announcement (continued)

CEO of Babbage, Tim Jones said:

"We believe this is an exciting partnership opportunity as we each bring significant combined experience in related industries, such as pharmaceutical, dairy and infrastructure, while enabling both companies to further penetrate geographies and markets in which we have each experienced success. It's an efficient and practical model for exploring growth opportunities by sharing resources and innovating together. Ultimately, this benefits our customers and our people."

Synertec operates with a similar approach to Babbage, consistently delivering projects successfully on time and on budget to their customers. They also value and invest heavily in innovation of design for the benefit of the customer's project and long-term asset optimisation. We both do this through strong systems engineering, close coordination of sub-contractors and heavy emphasis on quality of the end product. All this contributes to strong and valuable ongoing relationships with our customers, which we agreed was an important ingredient in the long term growth of our respective companies."

Synertec's strategic alliance with Babbage

As part of this agreement, Synertec and Babbage will look to develop a close and trusting working relationship to bid for relevant future business opportunities and to share knowledge and expertise.

Synertec will look to leverage its unique experience and proprietary Intellectual Property (IP) in clean environment and complex process facility design, as well as advanced integrated control systems and human safety, to enable a more fulsome solution when tendering for future contracts globally. These growth opportunities represent a clear strategic focus for Synertec and leverages the existing skills and specialisations required for niche components of major complex engineering work.

-ENDS-

For more information and all media enquiries please contact:

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About Synertec

Synertec is an ASX-listed multi-disciplined engineering company, delivering specialist "mission critical" engineering products and solutions across complex and highly regulated industries including oil and gas, rail, pharmaceuticals, defence, biotechnology, dairy, petrochemical and water.

About Babbage

Babbage Consultants is a 100% New Zealand-owned multi-disciplinary practice offering tailored consultancy services across Architecture, Engineering, Land Development and Project Management. Broad experience and a high level of technical expertise ignite a brilliance within Babbage that enables the delivery of innovative built solutions that are practical, cost-effective and sustainable.

The members of their team are experts in their fields and for more than 80 years Babbage has been a leader in providing integrated professional services using the latest technologies. In collaboration with its wholly-owned subsidiaries, Biosearches and McKay Knarston, its expertise includes Ecological Services and Surveying. For more information visit babbage.co.nz