



PRESS RELEASE

Perth, August 4TH, 2021

KOTUG AUSTRALIA TO OBTAIN FULL MANAGEMENT OF TOWAGE OPERATIONS IN PORT HEDLAND

KOTUG Australia Pty Ltd (KOTUG) and WESTUG PTY Ltd (Westug) have successfully concluded an agreement to re-shape the towage services for Pilbara Marine, a subsidiary of Fortescue Metals Group (Fortescue) in Port Hedland. The service includes the operation of nine state of the art Rotortugs at Port Hedland, which have been servicing Fortescue and other port users since the commencement of operations in 2019.

After almost three years of working together to successfully establish the towage service for Fortescue in Port Hedland, Westug and KOTUG have mutually and amicably agreed to exit their agreement as of August 1st, 2021 with regard to this operation.

The boards of both companies agreed that Fortescue's Port Hedland towage business will benefit from having a single party managing operations, and believe that a single contractor delivery model will have a positive impact on the management of operations and overall responsiveness to the end client.

KOTUG will retain its existing Head Agreement with Pilbara Marine, requiring the company to supply tugs and have overall responsibility for the delivery of Port Hedland towage services. The operation of the towage services was previously sub-contracted to Westug, however KOTUG will assume control upon Westug exiting the business and will directly manage the towage operation at Port Hedland. All existing Westug personnel will be transferred across to KOTUG as part of this agreement.

KOTUG's CEO Ard-Jan Kooren stated; "KOTUG is fully committed to Pilbara Marine and Fortescue, we now look forward to focusing on working to fully optimise our Port Hedland towage operations and working in partnership with our valued client, Pilbara Marine. We thank Westug for their cooperation over the years. With our tugs, motivated back office team, shore support staff and crew partnerships, we look forward to taking the Port Hedland towage business to the next level."

Westug CEO Mark Malone: "We are proud of the work our team has done to build the operation in Port Hedland, but the intensity of the operational requirements to keep such a busy port serviced to the required level is best served by a single towage operator. Despite our best efforts, having two parties sharing responsibility proved to be too much of a challenge. We wish KOTUG well in servicing Fortescue, and leave the operation with strong relationships and our focus squarely on other growth opportunities in the Australian market."



Rotortugs in the port of Port Hedland

About KOTUG

KOTUG is a leading maritime company, offering its innovative towage and maritime related services on a global scale. Adding value by sustainability-focused innovations, KOTUG provides the complete portfolio based on a combination of long-standing knowledge and advanced technologies. From designing, building, chartering and operating vessels to training people and providing innovative consultancy services. The company's expertise is divided across five pillars: Towage, Training & Consultancy, Intelligence, Subsea and Maritime Excellence. KOTUG is active in Europe, Russia, Asia, Australia, Africa, Middle East, North and South America and the Caribbean and continues to expand its operations worldwide. KOTUG is family-owned and firmly committed to the highest industry standards of health, safety, environment, quality and security. www.kotug.com

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About WESTUG

Westug is a wholly owned subsidiary of Engage Marine, an Australian owned marine services company headquartered in Perth, Western Australia. Engage Marine have a workforce of over 350 people, operating over 30 vessels in 10 ports across Australia.

Engage Marine are one of the fastest growing marine companies nationally and remain active in pursuing new opportunities with their unique brand focused on innovation, customer partnerships and front line focused engagement models that empower the workforce to make a difference. Engage Marine have been recently awarded several new contracts including a 15 year licence to operate in towage services in Abbot Point, Queensland.

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