

Aecon agrees to sell Contract Mining business to North American Construction Group

TORONTO, Oct. 3, 2018 /CNW/ - Aecon Group Inc. (TSX: ARE) announced today that it has entered into a definitive asset purchase agreement with North American Construction Group Inc. ("NACG") (TSX: NOA/NYSE: NOA) under which Aecon has agreed to sell to NACG substantially all of the assets related to Aecon's Contract Mining business for \$199.1 million in cash.

Aecon's Contract Mining business provides overburden removal and environmental reclamation services through a dedicated fleet of earth-moving equipment, primarily in the oil sands in Fort McMurray, Alberta.

"Aecon is executing on a record level of backlog and pursuing an unprecedented number of opportunities across our Infrastructure and Industrial segments," said Jean-Louis Servranckx, President and CEO of Aecon. "The capital intensive Contract Mining business is outside Aecon's core construction activities and focus. This transaction is consistent with Aecon's drive to maintain and strengthen our balance sheet flexibility, which is key to the strong growth trajectory we are seeing in our core business."

Upon signing the asset purchase agreement, NACG paid Aecon a \$10 million deposit, which will be applied to the purchase price if the transaction closes as contemplated. The balance of the price will be paid in four instalments, with the first instalment of \$153.6 million due at closing and the following three instalments of \$11.8 million each being paid six, twelve and eighteen months following closing, secured by a charge over certain assets that are the subject of the transaction. The deferred payments are not subject to conditions.

If the sale transaction is not completed due to a default by NACG of its obligations under the agreement, the deposit will be retained by Aecon.

Aecon will continue to operate its Contract Mining business, with no disruption to its clients or employees, in the normal course pending closing of the sale transaction.

The sale transaction is subject to various purchase price adjustments and customary closing conditions, including necessary regulatory approvals.

About Aecon

Aecon Group Inc. (TSX: ARE) is a Canadian leader and partner-of-choice in construction and infrastructure development. Aecon provides integrated turnkey services to private and public-sector clients in the Infrastructure and Industrial sectors, and provides project management, financing and development services through its Concessions segment. For more information, please visit aecon.com and follow us on Twitter, LinkedIn, and Instagram @AeconGroup.

Statement on Forward-Looking Information

The information in this press release includes certain forward-looking statements. These forward-looking statements are based on currently available competitive, financial and economic data and operating plans but are subject to risks and uncertainties. Forward-looking statements may include, without limitation, statements regarding the operations, business, financial condition, expected financial results, performance, prospects, ongoing objectives, strategies and outlook for Aecon including with respect to the achievement of closing of the sale transaction, the terms of the sale transaction, the benefits of the sale transaction and the proposed use of proceeds from the sale transaction. Forward-looking statements, may in some cases be identified by words such as

"will," "plans," "believes," "expects," "anticipates," "estimates," "projects," "intends," "should" or the negative of these terms, or similar expressions. In addition to events beyond Aecon's control, there are factors which could cause actual or future results, performance or achievements to differ materially from those expressed or inferred herein including, but not limited to: the timing of projects, unanticipated costs and expenses, general market and industry conditions and operational and reputational risks, including Large Project Risk and Contractual Factors. Readers are referred to the specific risk factors relating to and affecting Aecon's business and operations as filed by Aecon pursuant to applicable securities laws. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and Aecon undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

SOURCE Aecon Group Inc.

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