

22 February 2007

Issuer Regulation
Risk Management & Regulation Group
Singapore Exchange Limited
2 Shenton Way #19-00
SGX Centre 1
Singapore 068804

Attention: Ms Chia Caihan

**REPLY TO SGX'S QUERY ON HALF YEAR FINANCIAL STATEMENT AND DIVIDEND
ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 2006**

Dear Sirs

The board of directors of AusGroup Limited refers to the query from the Singapore Exchange Limited regarding the half year financial statement and dividend announcement for the period ended 31 December 2006 and would like to respond as follows:-

SGX's Query:

Which are the new and revised FRS which have been adopted? To list them.

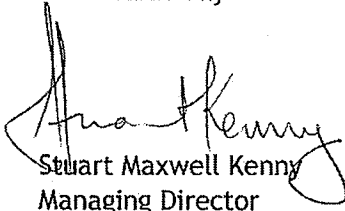
Company's reply:

From 1 July 2006, the Group adopted the following applicable new and revised Singapore Reporting Standards, that have become effective from 1 January 2006:-

FRS 19 (Amendment) Employee Benefits
FRS 21 (Amendment) The Effects of Changes in Foreign Exchange Rates
FRS 32 (Amendment) Financial Instruments: Disclosure and Presentation
FRS 39 (Amendment) Financial Instruments: Recognition and Measurement

The adoption of the above FRS did not have any significant financial impact on the Group.

Yours faithfully


Stuart Maxwell Kenny
Managing Director