

AUSGROUP LIMITED
(Registration No. 200413014R)

BLOOMBERG ARTICLE AND CLARIFICATION OF STATEMENT

The Company wishes to clarify the below statement in the article which it believes is out of context with what was said during the interview.

"AusGroup Says Orders May Double on Exxon, Newmont Projects"

While the Company believes it is not wholly unrealistic to have orders double by 2009 based on projected industry growth and Company order book, we are not expecting the orders to double by 2009.

This is the best response we can give to the query.

By Order of the Board

Submitted by Stuart Maxwell Kenny, Managing Director on 3 September 2007 to the SGX-ST.

AusGroup Says Orders May Double on Exxon, Newmont Projects
2007-09-02 23:55 (New York)

By Leslie Tan and Bernard Lo

Sept. 3 (Bloomberg) -- AusGroup Ltd., an engineering company whose clients include BHP Billiton Ltd., said orders may double as early as 2009 because rising metal and oil production has boosted demand for its building and maintenance services.

"Customers are committed to a capital expansion program," said Managing Director Stuart Kenny. New clients are planning to increase production, refining and exploration even with the concerns about a housing slump and a possible recession in the U.S. economy, he added.

The Australian company, with orders of A\$246 million (\$202 million) at the end of June, plans to bid for energy and mining projects from Exxon Mobil Corp., Royal Dutch Shell Plc and Alcoa Inc. It has tendered for contracts valued at a combined A\$513 million, mostly in Singapore and Australia, according to a presentation made to investors.

Metal and energy companies are expanding exploration activities to replace and increase supplies of gold, iron ore, oil and other raw materials. Record prices for iron ore and nickel are prompting producers including BHP Billiton to expand output as China, the world's fastest-growing major economy, demands more commodities.

Perth, Western Australia-based AusGroup won a A\$60 million contract to provide fabrication and installation services for Newmont Mining Corp.'s Boddington Gold Mine last month.

AusGroup provides services such as construction, maintenance, and precision engineering solutions to industries including mining, energy, petrochemicals and power. The company may also acquire other maintenance companies, Kenny said.

"I won't be surprised the order book is doing very well," said Lorraine Tan, director of equity research at Standard & Poor's Investment Services in Singapore. "Capacity at the main fabricators is pretty full." Net income rose 69 percent to a record A\$19.1 million in the year ended June 30. AusGroup shares have more than tripled this year, the sixth-best performer on the Sessall index, which tracks companies listed on the Singapore Exchange's main board.

AusGroup can maintain its profit margin even as competitors such as Downer EDI Ltd., Transfield Services Ltd. and SembCorp Industries Ltd. join in the bidding for projects, Kenny said. "The market is large enough to share. There's always competition that keeps margins at a realistic level."

--With reporting by Liza Lin in Singapore. Editor: Koh (snc)

To contact the reporters on this story:
Leslie Tan in Singapore at +65-6212 1549 or
lestan@bloomberg.net.

To contact the editor responsible for this story:
Tony Jordan at +65-6212-1150 or
tjordan3@bloomberg.net.