

AUSGROUP LIMITED

(Company Registration Number 200413014R)
(Incorporated in the Republic of Singapore)

FACILITY AGREEMENT

- 1 The Board of Directors of AusGroup Limited (the "Company") wishes to announce that:-
- (a) the Company;
 - (b) Ausclad Group of Companies Limited, a wholly-owned subsidiary of the Company ("Ausclad");
 - (c) Seagate Structural Engineering Pty Ltd, a wholly-owned subsidiary of Ausclad ("Seagate");
 - (d) AGC Industries Pty Ltd, a wholly-owned subsidiary of Ausclad ("AGC");
 - (e) AGL Cactus Pte. Ltd., a wholly-owned subsidiary of the Company ("AGL"); and
 - (f) Cactus Engineering & Trading Pte Ltd, a wholly-owned subsidiary of AGL ("Cactus").

have, on 20 June 2008, entered into a facility agreement for the provision of various banking facilities by Westpac Banking Corporation and United Overseas Bank Limited (in their respective proportions as set out in the Facility Agreement (hereafter defined)) of up to AUD67,000,000 (Australian Dollars Sixty-seven Million) to the Company, Ausclad and AGC, arranged by Westpac Banking Corporation (the "Facility Agreement").

- 2 Pursuant to the Facility Agreement, the banking facilities will be applied for the purposes of, *inter alia*, (i) refinancing the debt facilities of Ausclad, AGC, Seagate, AGL and Cactus; (ii) financing the capital expenditure for Ausclad, AGC, Seagate, AGL and Cactus; (iii) financing the purchase consideration for the property known as Reclaimed Land Mukim 7 Tuas, 36 Tuas Road, Singapore 638505 (the "Property"); (iv) financing the construction cost of a plant on the Property; (v) providing guarantees in the form of performance bonds or letters of credit; (vi) refinancing the overdraft facility of Ausclad and AGC; and (vii) general working capital of the Group.

- 3 Pursuant to the Facility Agreement, the banking facilities will be secured by way of, *inter alia*,:-
- (a) a fixed and floating charge over all assets of the Company, Cactus and AGL;
 - (b) mortgages over properties of Cactus located at 4 Tuas Link 1, 14 Tuas Link 1 and the Property;
 - (c) mortgage over a property of Seagate located at 4 Beach Street, Kwinana Beach, Western Australia;
 - (d) mortgage over a property of Ausclad located at 15 Beach Street, Kwinana Beach, Western Australia; and

(e) an assignment in respect of Cactus' property at 4 Tuas Link 1.

- 4 The transactions have no material impact on the earnings per share or the net tangible assets of the Group for the current financial year.
- 5 None of the Directors of the Company has any direct or indirect interest in any of the aforesaid transactions. The Directors of the Company are not aware of any substantial shareholder having any interest, direct or indirect, in any of the aforesaid transactions.

By Order of the Board

Name: John Fitzgerald Boyd Sheridan
Managing Director
Date: 25 June 2008