E & A LIMITED

EXECUTIVE CHAIRMAN'S ADDRESS

Good afternoon ladies and gentlemen.

My name is Stephen Young and as Executive Chairman of your company, it is my pleasure to welcome you to the 2010 Annual General Meeting of E & A Limited.

The Company Secretary has advised me that we have complied with the relevant requirements for convening this meeting, and that a quorum is present.

I therefore declare the meeting open.

Let me begin by introducing the other members of the Board:

- Mr Mark Vartuli, Executive Director;
- Mr Michael Abbott, Non-Executive Director;
- Mr David Klingberg, Non-Executive Director; and
- Mr Michael Terlet, Non-Executive Director.

Later in the meeting, I will recommend the re-election of Michael Terlet and Mark Vartuli.

Details of Michael's and Mark's extensive experience, together with that of your other Directors', were included in the Annual Report.

I would also like to introduce:

- Mr Mark Seatree, Company Secretary;
- Mr Derek Meates from KPMG, the company's auditors, who is present to answer any questions relevant to the conduct of the audit, the audit report and the Company's accounting policies; and
- Ms Loretta Reynolds from Thomsons, our lawyers.

As the notice convening this meeting was sent to all shareholders on the E & A Limited register in accordance with the Company's Constitution, I intend to take the Notice of Meeting as read.

The annual accounts of E & A Limited and its controlled entities together with the reports of the directors and auditors for the year ended 30 June 2010 have been published and distributed to shareholders.

Before moving to the resolutions contained in the Notice of Meeting, I would like to comment on:

- Firstly, the performance of E & A Limited over the last financial year; and
- Secondly, the outlook for E & A Limited for the current financial year.

THE 2010 FINANCIAL YEAR IN REVIEW

On behalf of the E & A Limited Board of Directors, I report the Company's operating results for the 12 month period ended 30 June 2010.

E & A Limited **(EAL)** achieved consolidated revenue of $159 million which represented a growth on last year's turnover of 45% resulting in earnings before interest and tax **(EBIT)** of $5.98 million, a growth of 108% on the prior year's EBIT of $2.88 million.

EAL generated cash flow from operations of $9.4 million before payment of interest and tax and $5.3 million after interest and tax. The strong cash flow was an outstanding achievement given the working capital requirements associated with the 45% growth in turnover.

EAL's balance sheet has been strengthened, with net debt of $24.7 million which is a reduction of $5.7 million from 30 June 2009. As at 30 June 2010, EAL had cash on hand of $3.1 million.

The Net Profit after Tax (**NPAT**) result for the full twelve months of $2.5 million was significantly better than the prior year's result of $0.56 million.

Whilst the revenue growth achieved exceeded expectations, the margins generated on major project works was significantly less than anticipated, which led to a disappointing result. This was a direct result of the exceptionally competitive tender margins offered during the global financial crisis, combined with adverse weather, and the consequence of increased demand associated with rapid growth on management's limited resources. Shareholders will recall the EAL executive team elected to offer tight margins in order to sustain the goodwill of the businesses including retaining the key executive and operational skills and strong relationships with major clients.

2010 FINANCIAL YEAR EARNINGS CONTRIBUTION BY SEGMENT

The EAL business is reported in four segments:

- Investment and Corporate Advisory;
- Maintenance Engineering & Plant Construction;
- Water & Fluid Solutions; and
- Heavy Mechanical & Electrical Engineering.

An overview of the contribution provided by the segments is as follows:

Investment and Corporate Advisory

This segment comprises the Equity & Advisory Ltd (**Equity & Advisory**) business and corporate head office costs associated with EAL.

The Investment & Corporate Advisory segment revenue decreased compared to the prior year by 25% as a consequence of the Corporate Advisory business unit continuing to experience soft market conditions throughout FY10 for merger and acquisition activities.

During the last financial year the corporate advisory team were principally engaged supporting the rapid growth experienced by a number of EAL’s subsidiaries. The internal demands on the corporate advisory team have been significant. The team’s executives have been charged at payroll cost to the subsidiaries which, when combined with the soft market conditions for merger and acquisition activities and corporate overheads, resulted in lower revenue and financial performance for FY10.

Maintenance Engineering and Plant Construction

This segment comprises the Heavymech Pty Ltd (**Heavymech**) and Quarry & Mining Manufacture Pty Ltd (**QMM**) businesses.

The Maintenance Engineering and Plant Construction segment achieved revenue growth of 38.4% and achieved significant growth in operating earnings of 625% compared to the prior year.

QMM benefited from increased activity associated with the Federal Government's stimulus package. QMM built on its established client relationships during the year.

Heavymech has developed an offsite shut down capacity and intends to seek further work in this area of the market. Heavymech has a number of strong client relationships which it continues to maintain whilst building its market presence. A significant part of Heavymech's revenue arises from scheduled and emergency maintenance work and as a consequence its turnover and profitability are closely linked to the level of activity in the broader industrial, construction, mining, water and power generation industries.

Water and Fluid Solutions

This segment comprises the Fabtech (SA) Pty Ltd (**Fabtech**) and Blucher (Australia) Pty Ltd (**Blucher**) businesses.

The Water and Fluid Solutions segment achieved revenue growth of 4.8%, however operating earnings improved materially by 174% compared to the prior year.

Fabtech's full year performance was an improvement on the prior year notwithstanding its exposure to the wettest summer in South East Queensland for a number of decades.

Blucher made a similar contribution to operating earnings in FY10 compared to that of the prior year.

Blucher recently established an office in Western Australia and now has direct presence in every mainland State in Australia, with representative arrangements in Tasmania and New Zealand.

Heavy Mechanical and Electrical Engineering

This segment comprises the Ottoway Engineering Pty Ltd (**Ottoway**), ICE Engineering & Construction Pty Ltd (**ICE**) and E&A Contractors Pty Ltd (**EAC**) businesses.

The Heavy Mechanical and Electrical Engineering segment achieved revenue growth of 73% and operating earnings growth of 134% compared to the prior year.

Ottoway once again enjoyed significant growth over the past twelve months. However, a portion of this growth has been in respect of low margin work undertaken for its largest client, Austrian Environment & Energy (**AE&E**). The balance of Ottoway's growth was associated with two significant construction contracts namely, the Honeymoon uranium extraction plant and the Snapper floating wet concentrator plant. Both of these contracts have been significantly impacted by unseasonal weather experienced across Central Australia over the last six to nine months. This weather has caused major delays in the construction schedule and these delays are the subject of prolongation claims.

This is the first full year that ICE has been a wholly owned subsidiary of EAL. During the year ICE's turnover doubled. This unprecedented growth stretched the internal resources of ICE, however it continues to enjoy a high level of customer satisfaction with both the safety and quality of the services it provides. During the year ICE announced that it had completed 300,000 hours of work without a lost time injury.

Early in 2010 EAL merged the operation of two of its subsidiaries, Whyalla Fabrications and Louminco to form E & A Contractors. This merger has proved to be significantly more challenging than originally anticipated. Opportunities in the Iron Triangle Region were curtailed due to the seven week shut down of the OneSteel blast furnace and the seven month shut down of the BHP Billiton Clarke Shaft.

2011 FINANCIAL YEAR OUTLOOK FOR E&A LIMITED

Australian Mining Services Market Outlook

The outlook for the Australian Mining Services sector has been strong for the past twelve months although the actual release of new fabrication and construction work has been impeded by capital market volatility and political uncertainty associated with tax and environmental policy.

ABARE recently reported there were 75 major mining and energy projects with an investment value of $109 billion committed or under consideration throughout Australia. This level of investment is unprecedented and represents a two fold increase in the levels of activity experienced prior to 2008. Furthermore, there are 286 projects which are expected to proceed to development in the medium term. The value of these projects is a further $249 billion.

Most of this development is concentrated in Western Australia and, to a lesser degree, Queensland. However, a number of EAL subsidiaries operate in these markets and furthermore, EAL's interstate competitors are now likely to be heavily engaged in their home markets, which should lead to an improvement in margins in South Australia.

South Australian Mining Services Market Outlook

Primary Industries and Resources SA (**PIRSA**) recently published that there were 12 major mines operating or under construction. EAL subsidiaries have established relationships with the majority of these operators. PIRSA have forecast that South Australia will have 16 operating mines by the end of 2011.

A further 29 major projects with a JORC Resource are either undertaking, or have completed, feasibility studies with the possibility of progressing through to final mine construction. EAL subsidiaries have outstanding tenders for five of these projects.

As a consequence of this improved outlook EAL expects margins across its operating subsidiaries to improve in the 2011 calendar year.

Defence Construction Outlook

The Air Warfare Destroyer contract is now under way with construction of the first Hobart Vessel in progress. Two of EAL's subsidiaries, E & A Contractors and Ottoway, have preferred supplier relationships with ASC. It is expected the level of work undertaken for ASC will expand over the next twelve months.

Water Services Outlook

Ottoway, E & A Contractors and ICE have all provided services to the Adelaide Desalination Project. Over the next twelve months further work is expected as a consequence of the fabrication and installation of transfer pipelines and pumping stations which will ultimately interlink Adelaide's water storage facilities.

Further work opportunities are expected as a consequence of the long anticipated upgrade of irrigation infrastructure along the Murray Darling Basin.

Finally, significant opportunities are expected to arise from the need to store the water pumped from the wells that will be progressively drilled to establish the upstream coal seam gas supply in South East Queensland.

Recent Developments and Growth Opportunities for E&A Limited Subsidiaries

Heavy Mechanical and Electrical Engineering

Ottoway Engineering

Ottoway has been engaged directly by Sino Iron Pty Ltd, a wholly owned subsidiary of Citic Pacific Mining Pty Ltd, to complete the remaining work associated with fabrication and mechanical installation services to the Sino Iron Power Station located in the Pilbara Region of Western Australia.

Ottoway expect that the value of this contract will exceed $25 million and will involve the deployment of more than 100 people for the next six months.

The construction of the Power Station was previously awarded to AE&E who had in turn engaged Ottoway to assist it in performing some of the site fabrication and mechanical installation for that contract.

The AE&E contract to construct the power station was terminated by Sino Iron Pty Ltd on the 18th October 2010. AE&E Australia's parent company, AE&E Group Gmbh, is a subsidiary of a publicly listed Austrian company, A-TEC Industries AG (**A-TEC**). On the 20th October 2010, A-TEC announced the commencement of reorganisation proceedings, with self administration in which to reorganise its bond commitments. The scope of the reorganisation has been limited exclusively to A-TEC.

A-TEC announced that it would continue to trade and the subsidiary companies, including AE&E Group Gmbh, would not be affected. To date this has been the case. Ottoway continues to work for AE&E Australia on the Worsley Power Station contract and has continued to receive payments as they fall due from AE&E Australia in respect of both the Sino Iron contract and the Worsley contract.

As announced previously, Ottoway has trade debtor insurance for the majority of its debt with AE&E.

Ottoway's relationship with ASC continues to expand. ASC has recently placed significant further orders with Ottoway for both piping and ancillary pipe supports.

BHP Billiton has recently placed significant orders with Ottoway including the manufacture of another multi coil dryer which was completed this week. It is expected a further multi coil dryer will be refurbished next year.

Ottoway has recently been shortlisted on two large tenders and expects to be successful on at least one of these projects.

Subject to the contracts with Sino Iron at Cape Preston and AE&E at Worsley continuing as forecast, Ottoway expects this financial year's turnover to be similar to that of last year.

E&A Contractors Pty Ltd

The outlook for the E&A Contractors' Whyalla Division has improved as several major projects have been announced in the Iron Triangle Region of the State. These projects include, but are not limited to:

- OZ Minerals' announcement in July 2010 of its commitment to expand its facilities by developing an underground mine. E&A Contractors has already submitted tenders to support this expansion program.
- BHP Billiton's ongoing commitment to optimisation of the existing Roxby Downs processing plant ahead of the anticipated announcement next year following receipt of the necessary government approvals of the major expansion of the mine. E & A Contractors is currently undertaking fabrication contracts for BHP Billiton.
- Arafura Resources commitment, together with the Government of South Australia, for the establishment of a Rare Earths Complex at Whyalla, less than ten kilometres from E & A Contractors' 6,800 square metre workshop. This major project is expected to involve capital expenditure in the order of $1 billion. Arafura has announced that it expects production to commence during 2013 and has recently completed a capital raising to fund the early works.
- OneSteel's ongoing commitment to upgrading the efficiency of its steel making facilities at Whyalla and the expected expansion of its ore processing capacity from 4MT to 6MT in the Middleback Ranges in order to support the high levels of demand for quality iron ore.
- Development of storage and shipping facilities at Port Pirie to facilitate the export of 1.4MT of ore to China by IMX Resources.
- The development of mining, storage, handling and export facilities for other junior iron ore miners including Centrex Metals at Carrow, Bungalow and Wilgerup and Ironclad Mining at Witchery Hill.

ASC recently advised that E & A Contractors is its preferred fabrication contractor for the Air Warfare Destroyer program in South Australia and informed E & A Contractors of its intention to direct a greater proportion of the outsourced metal fabrication work for Air Warfare Destroyer ships 2 and 3 to E & A Contractors' Whyalla workshop.

E&A Contractors' contract with Lihir is being renegotiated following the acquisition of Lihir by Newcrest. It is expected the contract will be extended, although the terms are likely change.

ICE Engineering & Construction Pty Ltd

As previously mentioned, ICE's turnover last year doubled. ICE is separated into two operating divisions, namely the Major Projects Division and the Maintenance Division.

The Major Projects Division has recently secured a Business Development Manager in order to strengthen its capacity to win work throughout Australia. The ICE Major Projects team is currently working in South Australia, New South Wales and Western Australia.

The Maintenance Division is based in the Iron Triangle Region and is enjoying strong growth which it expects to continue as a consequence of the recent project announcements for that region.

Water and Fluid Solutions

Fabtech SA Pty Ltd

The outlook for Fabtech is strong. Fabtech normally submits quotations for new work in the order of $5M - $10M per month. Over the last four months it has submitted tenders for work in excess of $100 million.

The dramatic lift of tender enquiry has been driven by coal seam gas development in South East Queensland.

On the 22nd October 2010 Santos announced that it had received environmental approval from the Federal Government for its Santos GLNG project. Fabtech has already installed a number of geomembrane liners for the GLNG project.

Fabtech is also working in the South East Queensland region for other LNG developers including Origin Energy and Arrow. Fabtech has recently submitted a number of tenders to British Gas who also received environmental approval from the Federal Government for its Queensland Curtis LNG project.

Blucher

The outlook for Blucher is sound. During the month of September, Blucher made significant deliveries to the Wonthaggi Desalination Plant in Victoria.

Future demand for stainless steel drainage and fluid reticulation systems is closely linked to infrastructure developments and the level of commercial capital expenditure.

Maintenance Engineering and Plant Construction

Quarry & Mining Manufacture Pty Ltd

The outlook for QMM in South Australia remains sound with a number of projects expected during the second half. Recently, QMM in South Australia has been successful in winning work from Boral, Fulton Hogan, Hanson, Holcim, Penrice, ResourceCo, Jeffries and IWS.

QMM in Queensland has been successful in tendering to build a concrete processing plant for Boral at Gladstone. This contract will fill the remainder of QMM's workshop capacity in Queensland for this financial year. QMM continues to support BHP Billiton's underground planned maintenance shut downs. Further, QMM has been informed that it has won the order for the next 2 ore cars required for BHP Billiton at Roxby Downs.

The outlook for QMM is closely linked to urban infrastructure and large construction activity. In this regard, there are a number of substantial projects planned for South Australia and Queensland. It is anticipated that these projects will provide plant construction opportunities for QMM during the forthcoming calendar year.

Heavymech Pty Ltd

Heavymech has taken over the machining facility previously operated by Whyalla Fabrication in Beerworth Avenue Whyalla.

This machine shop is principally focussed on servicing OneSteel's requirements.

Heavymech recently completed a large machining and assembling project which was necessary to complete the manufacture of a prototype wood chipping machine. It is expected that this prototype will lead to a number of repeat orders in the future.

DIVIDENDS

The prolongation claims in respect of the Honeymoon and Snapper projects have not yet been finalised and accordingly the Board has decided not to declare a final dividend for the 2010 year. Accordingly the fully franked dividend yield for the 2010 year was 6%.

SUMMARY

The outlook for the Mining Services sector has been strong for the past twelve months although the actual release of new fabrication and construction work has been impeded by capital market volatility and political uncertainty in respect of tax and environmental policy. The EAL management team believes the outlook for increased fabrication and construction work is improving and its executive management team is focussed on strengthening operational and financial performance of its subsidiaries over the next calendar year.

The ongoing impact of poor weather and the costs associated with the completion of the Snapper contract and the transfer of the Sino Iron contract are likely to affect the result for the first six months. However, the Company expects a stronger second half.

I would also like to take this opportunity to thank the Group Managing Directors and Chief Executives, their support teams and all our employees for their outstanding efforts over the last year.

Finally, I would like to thank my Board colleagues for their guidance, direction and support which has been critical to our continued development.

Prior to moving on to the formal business of today's meeting, including the consideration of the 2010 Annual Report, I invite questions on my address.