

E&A Limited

2011 Annual General Meeting

24 November 2011



Stephen Young
Executive Chairman

Agenda: Chairman's Address



1. The 2011 Financial Year in Review
2. 2011 Financial Year Earnings Contribution by Segment
3. Historical Performance in Perspective & Outlook
4. First Quarter FY12 Trading Results
5. Operations Update
6. Summary



The 2011 Financial Year in Review



E&A Contractors Whyalla Workshop: Bosh Shell replacement for OneSteel Blast Furnace

The 2011 Financial Year in Review



§ Consolidated Revenue of \$144.9m.

§ Underlying net profit after tax of \$3.869m.

§ Underlying EBIT of \$8.895m, up from \$6.075m.

§ Final quarter EBIT of \$2.5m highlighting improvement in performance and positive momentum entering FY12 .

§ Reported NPAT of \$1.634 million affected by the provision for once-off significant items totalling \$2.235 million.

§ Strong second half positive cash flow from operations of \$6.8m, representing an \$11m turnaround on first half performance.

§ Full Year Cashflow from operations impacted by delays in collecting outstanding debtor insurance proceeds associated with Ottoway's largest client entering administration (AE&E Australia) and claims associated with the Honeymoon and Snapper projects, which resulted in net debt of \$28.5m.

FINANCIAL RESULTS	2011 (\$'000s)	2010 (\$'000s)
Revenue	144,911	159,446
Underlying EBIT	8,895	6,075
Underlying NPAT	3,869	2,572
Reported NPAT	1,634	2,504
Cashflow from operations	(1,474)	5,333
Net Debt	28,558	24,726

2011 Financial Earnings Contribution by Segment

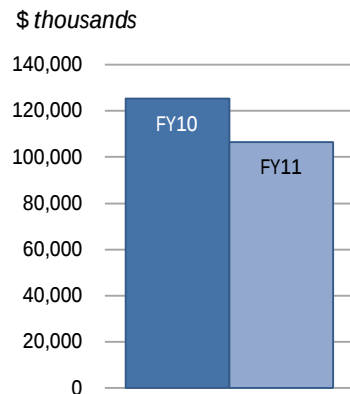


Sino Iron Power Station

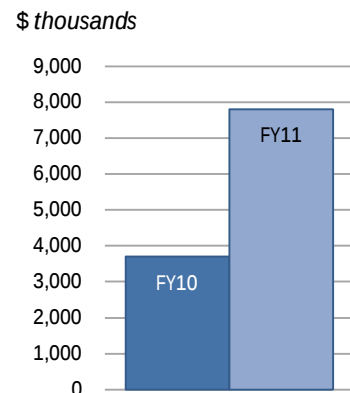
2011 Financial Year Earnings Contribution by Segment



Heavy Mechanical & Electrical
Engineering
Revenue Analysis in FY11



Heavy Mechanical & Electrical
Engineering
Underlying EBIT Analysis in FY11



Heavy Mechanical & Electrical Engineering

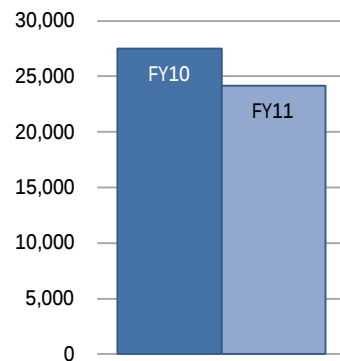
- § FY11 revenue of \$106.4 million generated underlying earnings of \$7.799 million (before significant once-off provisions) which was 111% higher than FY10.
- § Notwithstanding a decline in revenue, the Heavy Mechanical & Electrical Engineering segment achieved reported operating earnings growth of 28% compared to the prior year.
- § The reduction in revenue was a consequence of the work associated with two significant contracts (Honeymoon & Snapper) which were substantially completed in the previous financial year.
- § Operating results for FY11 were impacted by the provision of \$0.946 million before tax raised on account of the AE&E debt and unrecoverable costs of \$2.247 million before tax incurred in relation to prolongation claims and adverse weather experienced on the Honeymoon & Snapper projects.

2011 Financial Year Earnings Contribution by Segment



Water & Fluid Solutions
Revenue Analysis in FY11

\$ thousands

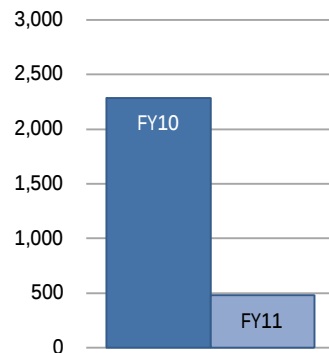


Water & Fluid Solutions

- § The Water and Fluid Solutions segment experienced a 12% decline in revenue, and a significant decrease in operating earnings of 78.9%.
- § The decrease in operating earnings was primarily due to the significant floods and abnormally wet weather experienced in South East Queensland, from which a large proportion of revenue for this segment is sourced.
- § Bluchers contribution was consistent with the prior year.

Water & Fluid Solutions
EBIT Analysis in FY11

\$ thousands

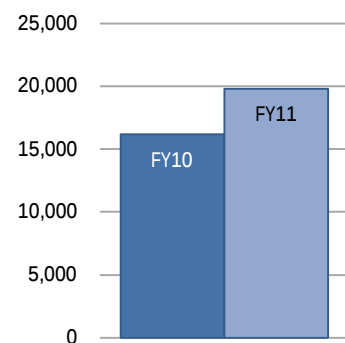


2011 Financial Year Earnings Contribution by Segment



Maintenance Engineering & Plant Construction
Revenue Analysis in FY11

\$ thousands



Maintenance Engineering & Plant Construction

§ The Maintenance Engineering & Plant Construction achieved revenue of \$19.8 million (growth of 22.6%) for the year, however operating earnings declined by 16.3%.

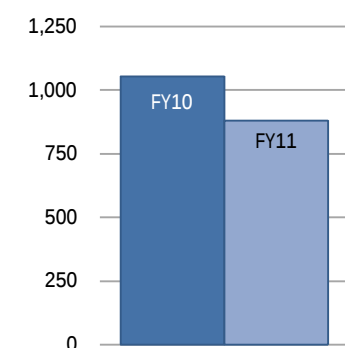
§ The increase in revenue was a result of increased workshop activity and plant construction work undertaken in Queensland.

§ Growth was also experienced in the provision of off-site mining shutdown services .

§ The decline in operating earnings is as a result of a lower than expected margin recognised on a number of significant materials-handling projects within the concrete industry.

Maintenance Engineering & Plant Construction
EBIT Analysis in FY11

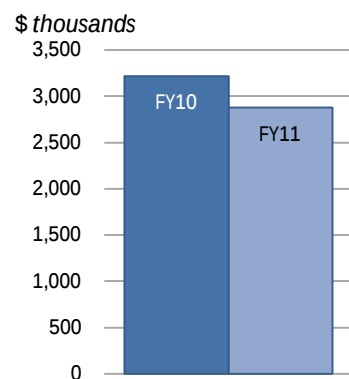
\$ thousands



2011 Financial Year Earnings Contribution by Segment



Investment & Corporate
Advisory
Revenue Analysis in FY11

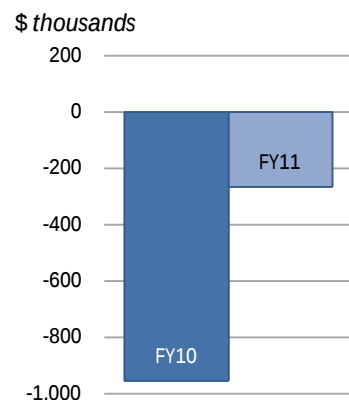


Investment & Corporate Advisory

§ Revenue earned by the Investment and Corporate Advisory segment decreased by 11% compared with the prior year.

§ The reduction in revenue was primarily due to softened market conditions continuing throughout FY11 for merger and management charges to EAL subsidiaries being reduced.

Investment & Corporate
Advisory
EBIT Analysis in FY11



§ FY11 operating earnings for FY11 improved compared to the previous year as a consequence of certain costs such as insurance being charged directly to the operating entities as well as an improvement in fee recovery generated by the corporate advisory business.

Historical Performance in Perspective and Outlook



Historical Performance in Perspective & Outlook



- § Since listing in December 2007, historical financial performance has been impacted by the global financial crisis (GFC) and lower than expected mining and resources capital expenditure in South Australia.
- § E&A Limited managed their way through the GFC by cutting margins in order to grow business turnover so as to preserve business relationships, senior executive teams, trade skills and generate sufficient cash flow to meet the Group's debt servicing commitments.
- § Specifically, the historical gross margin of 28% was cut to 18% and EAL businesses were forced to look further afield for work opportunities interstate.
- § First quarter FY12 results have seen an improvement in gross margins to 22%, which is expected to be maintained at a minimum going forward.
- § As advised in its previous Stakeholder Update, ABARE have reported that there are 94 major mining and energy projects in Australia with a project value of \$173.5 billion committed or due to commence within the six month period from April 2011 to October 2011.
- § Interestingly, \$109 billion of these projects had commenced or were forecast to commence in WA and a further \$49 billion in Qld. By way of contrast, only \$425 million of these projects were underway or due to commence in South Australia.

Historical Performance In Perspective & Outlook



§ E&A Limited's service reach has extended significantly beyond South Australia in response to significant interstate mining and resources capital expenditure .

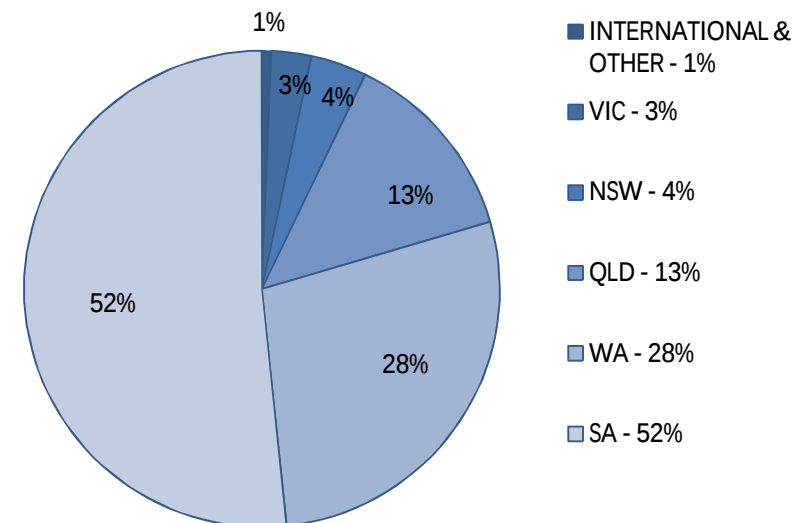
§ This is evidenced by the fact 48% of FY11 Revenue was generated outside of South Australia, compared to only 20% in FY09.

§ If the proposed BHPB expansion Olympic Dam expansion is approved and staged over a 10 year period, it is likely to account for a tenfold increase in mining and construction activity on a year on year basis for the State of SA.

§ Furthermore, the Advertiser recently reported in the SA Business Journal that an expected \$35 billion of capital spending is planned for SA's resources sector over the next 10 years – excluding the expansion of Olympic Dam.

§ E&A Limited's engineering services businesses are strategically well positioned to capitalise on the growing capital investment cycle for the mining, oil & gas, energy, water and defence industries.

FY11 REVENUE CONTRIBUTION BY STATE



Historical Performance In Perspective & Outlook



- § Notwithstanding EAL's strategic geographic expansion, E&A Limited subsidiaries have remained focused on meeting BHP Billiton's safety, quality and service expectations.
- § As a consequence, five of our subsidiaries namely E&A Contractors, Ottoway Engineering, ICE Engineering & Construction, Fabtech and QMM all work for BHP Billiton and presently have personnel working directly at Olympic Dam. Furthermore, both E&A Contractors and ICE Engineering & Construction have established offices in Roxby Downs.
- § The businesses which comprise E&A Limited have grown significantly in terms of management experience, competence and capacity over the last four years.
- § Specifically, the businesses have developed and implemented safety, quality, human resources, industrial relations, project management and management accounting systems which are far more robust than those which existed in 2007.
- § Not only has E&A Limited diversified geographically but it has also built its industry knowledge and capacity so as to service the requirements of the mining, defence, water and energy industries.
- § In this regard, E&A Contractors and Ottoway are now established as preferred contractors to Australian Submarine Corporation (ASC) for the Air Warfare Destroyer (AWD) program.
- § Recently both E&A Contractors and Ottoway have been awarded additional work by ASC for the AWD program which is expected to continue for at least three more years.

Historical Performance In Perspective & Outlook



- § Finally in the water industry, Fabtech is developing a reputation as Australia's pre-eminent geomembrane installer. Fabtech is the only geomembrane installer with a general services contract with Santos and has commenced a 350,000 square metre dam for Queensland Gas.
- § Specifically, Fabtech have worked directly for each of the four major coal seam gas producers namely, Origin ConocoPhillips (APLNG), Queensland Gas (QCLNG), Santos (GLNG) and Arrow.
- § There have been significant delays in both the planning and gaining of the necessary regulatory approvals for these projects, however a number of Australia's tier one contractors have recently called for tenders to support the upstream development requirements which are scheduled to commence early in 2012.
- § E&A Limited expects significant growth in activity across the coal seam sector over the next 12 months. Fabtech, Ottoway and Blucher are all well positioned to benefit from this increased activity.
- § In South Australia, Ottoway, Fabtech, E&A Contractors and Heavymech have all been involved in the different aspects of the construction of Adelaide's desalination facility and the associated transfer pipelines.
- § In conclusion, E&A Limited has a greater competence and capacity now than it had in 2007 and that it is well positioned to take advantage of the strong outlook we expect as a result of increased activity in the mining construction sector, defence sector and the water industry.

Safety & People



Works at Olympic Dam for BHP Billiton

Safety & People



- § E&A Limited considers its most valued asset to be its people.
- § The Safety of our people continues to be E&A Limited's primary objective.
- § During the year a number of E&A Limited subsidiaries achieved significant safety milestones:
 - § ICE completed its fourth year without a Lost Time Injury (LTI) and has worked more than 644,000 hours on site without a LTI claim;
 - § Ottoway has completed twelve months without a LTI and has now worked more than 468,705 hours in the workshop and on site without a LTI;
 - § E&A Contractors has completed twelve months without a LTI and has now worked more than 176,680 hours in the workshop and on site without a LTI; and
 - § Fabtech has completed more than two and half years without an LTI and has now worked more than 220,000 hours.
- § Remaining E&A Limited subsidiaries have all improved their safety records. Given that the Group now employs approximately 700 people, this represents a significant achievement.
- § The E&A Limited Board remains committed to improving Human Resources systems to ensure the Group has motivated executives with the necessary skills to deliver against their expectations for safe work, excellent products and services, and profitable growth.

FY12 FIRST QUARTER RESULT & OPERATIONS UPDATE



Sino Iron Power Station

FY12 First Quarter Trading Result (Unaudited)



§ EAL's positive fourth quarter FY11 trading result and momentum has been continued into the first quarter of FY12.

§ First Quarter revenue of \$39.8 million

§ First Quarter EBIT of \$2.6 million

§ First Quarter NPAT of \$1.2 million

§ Significant improvement in first quarter trading result compared to FY11.

§ Profitable trading performance of E&A Contractors and Fabtech SA contributing to improvement on FY11 first quarter trading result.

FY12 FIRST QUARTER FINANCIAL RESULTS	2012 (\$'000s)
Revenue	39,791
EBIT	2,575
NPAT	1,211
Net Debt	30,704



Heavy Mechanical & Electrical Engineering

- § The demand for Ottoway's specialised pipe spooling services continues to improve with the increased activity in the mining, oil & gas and defence sectors.
- § Ottoway has recently increased its workforce in order to support ASC with the Air Warfare Destroyer Program.
- § ICE's Growth Division has recently secured a number of major contracts (Kermans – Sino Iron, Wonawinta Silver Mine) and has significant work in hand. Tendering activity is also at record levels for both of ICE's operating divisions, and management are confident of achieving revenue growth in FY12.
- § The Growth Division of ICE has established offices in Adelaide and Roxby Downs and recruited a permanent supervisory team in Western Australia in order to better position ICE for growth. In addition, significant resources have been invested to improve and strengthen the senior management personnel and operating systems of the business.
- § E&A Contractors' significant workshop capacity located in Whyalla remains well-positioned for shop fabrication work required for the Iron Triangle region. As a consequence of their capital development programs, E&A Contractors' established relationships with OneSteel, BHP Billiton, ASC Shipbuilding and Cavpower are all generating increased work levels.



Heavy Mechanical & Electrical Engineering (Continued)

AE&E Australia - Trade Credit Insurance Claim

- § AE&E Australia has now been formally placed into liquidation which triggers Ottoway's entitlement to receipt proceeds under its insurance policy.
- § The receipt of the proceeds has been delayed due to AE&E Australia remaining in Administration for an extended period of time whilst the Company completed outstanding works in relation to a contract for the WR Carpenter No 1 Pty Ltd project in Worsley Western Australia.
- § During October, Ottoway's insurer made an interim payment to Ottoway on account of its claim for an amount of \$1.0 million.
- § Management recently received an increased offer from its insurers and remains hopeful of finalising its claim and collecting the remaining balance of insurance proceeds to which it considers Ottoway is entitled prior to 31 December 2011.



Heavy Mechanical & Electrical Engineering (Continued)

Honeymoon & Snapper Projects

- § Ottoway and ICE have significant variation and extension of time claims under negotiation with the respective principals on both the Honeymoon Uranium Extraction and the Snapper Wet Concentrator projects.
- § Contract negotiations in relation to resolving these disputes continue to progress and management expect to settle these claims during the course of FY12, which will result in a significant improvement in the cash and balance sheet strength of E&A Limited.
- § Bemax and Ottoway have agreed to refer the Snapper matter to arbitration. EAL expect arbitration to commence in the first quarter of Calendar Year 2012.
- § Contract negotiations are continuing between Uranium One and Ottoway in respect of the Honeymoon matter. A global settlement offer has been made by Uranium One which is less than the entitlement sought by Ottoway.
- § Ausenco has requested on behalf of Uranium One that Ottoway provide further evidence in support of its claim. Ottoway has engaged a project scheduler and a construction litigation expert to compile all of the information necessary to support its claim.
- § In the event these negotiations are not successful the matter will go to arbitration and then possibly litigation.

Operations Update



Maintenance Engineering & Plant Construction

- § The rebuilding of Queensland infrastructure following the recent floods and cyclone is anticipated to provide plant construction and upgrade opportunities throughout FY12 as will the expected demand for road materials associated with the increased infrastructure requirements of both the Queensland LNG projects and the coal industry.
- § A number of plant upgrade opportunities currently exist in South Australia, which are expected to improve turnover and earnings for FY12.
- § The recently established mine maintenance division is undertaking increased levels of shutdown work with BHP Billiton and Oz Minerals.

Water & Fluid Solutions

- § The anticipated growth in the coal seam gas sector in South East Queensland is expected to translate into unprecedented growth in the geomembrane industry and will provide significant opportunities to provide compressed air, potable water and instrumental air solutions to clients.
- § Both the quantum of work secured and the tender activity for future projects continues to grow, as are opportunities for Fabtech and Blucher to provide innovative solutions for its clients.

Summary



- § The demand and outlook for E&A Limited's specialty engineering services continues to improve.
- § E&A Limited's businesses are strategically well-positioned to capitalise on the capital investment cycle for mining, oil & gas, energy, defence and water industries expected to eventuate over the coming years both in South Australia and also on a national basis.
- § E&A Limited subsidiaries are currently working either directly or indirectly on a number of the 94 mining and energy projects reported by ABARE, with both the level of inquiry and the size of tenders being submitted increasing.
- § The expected expansion of Olympic Dam will provide significant business opportunities for all E&A Limited subsidiaries.
- § E&A Limited entered FY12 with positive momentum off the back of a strong last quarter FY11 result and has delivered a strong first quarter trading result.
- § E&A Limited is confident of delivering an improved earnings performance for FY12.
- § The Directors are confident that E &A Limited will return to paying dividends during FY12, following receipt of the AE&E insurance proceeds and at least one of the variation and extension of time claims in relation to Honeymoon or Snapper.