Decmil Group Limited

Investor Presentation

GLADSTONE ACCOMMODATION VILLAGE JOINT VENTURE AND EQUITY RAISING

November 2011

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All dollar values are in Australian dollars (A$) and financial data is presented within the financial year ended 30 June unless otherwise stated.

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An investment in Decmil is subject to investment risks including possible loss of income and principal invested. Recipients should read the key risks section of this Presentation for a non-exhaustive summary of the key risks that might affect Decmil and its financial and operating performance.

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PLEASE REFER TO THE ADDITIONAL FOREIGN SELLING RESTRICTIONS SET OUT IN SLIDES 32 TO 35

Executive Summary

Decmil is raising $85 million to fund the acquisition, ongoing construction and operation of 50% of an accommodation village in Gladstone, Queensland

1 Agreement with Maroon Group to Build-Own-Operate up to 2,265 room Accommodation Village in Gladstone, Qld

- Decmil has executed an agreement with Queensland's Maroon Group to build own operate up to 2,265 rooms in the Calliope Accommodation Village ("the Village") near Gladstone, Queensland
- Decmil will acquire a 50% interest in the MGA Gladstone Unit Trust (the "Trust"), the beneficial owner of the Village, for consideration of $40 million.
- Currently 240+ rooms (Stage 1) have been completed, with development approval in place for the total construction of 2,265 rooms
- Decmil Australia will immediately assume the ongoing project management of the site and undertake the construction works at the Village from January 2012 under a negotiated construction contract
- Accommodation Agreement has been signed with Wiggins Island Coal Export Terminal Pty Ltd ("WICET") to be the cornerstone tenant having entered into a take-or-pay agreement for 648 rooms for at least 3 years, with options to take up to 252 additional rooms

2 Strategic Rationale

- Leverage the core skill-set and capabilities of Decmil for a low-risk entry into the Queensland regional infrastructure and resources project sector
- Diversification of Decmil's earnings stream via leverage to ongoing rental accommodation income derived by the JV
- Geographic and client spread
- High Return on Investment and short payback period expected to generate strong EPS accretion

3 Entitlement Offer

- 1 for 3 accelerated non-renounceable pro-rata entitlement offer at $2.05 per share to raise up to $85 million ("Entitlement Offer")
- Net proceeds of the Entitlement Offer will be used to fund Decmil's investment in the MGA Gladstone Unit Trust and MGA Gladstone Pty Ltd, the trustee of the Trust ("the Trustee"), and the continued construction of the Village up to 2,265 rooms
- Entitlement Offer to be fully underwritten by GMP Securities Australia Pty Ltd ("Underwriter"), subject to the successful completion of the Institutional Entitlement Offer

Rationale

- ✓ Immediate and low-risk entry into Queensland regional construction market
- ✓ Early-mover position into Gladstone regional accommodation market
- ✓ Gladstone is the geographic centre of the infrastructure and resource related project expansion cycle underway in Queensland
- ✓ Diversification of Decmil's traditional geographic and client concentration
- ✓ Diversification of earnings stream providing a more defensive, maintainable earnings base via the take-or-pay accommodation agreements
- ✓ Strengthened margins for Decmil via JV earnings contribution
- ✓ High ROI and short payback period generating strong EPS accretion

MDJV Overview
Calliope Village, Gladstone

Proposed Structure

Decmil to acquire 50% ownership of the Calliope Village

- Decmil will acquire 50% of the units in the Trust and 50% of the shares of the Trustee, which owns the Calliope Village, Gladstone, to operate as MDJV
- The MDJV is an incorporated joint venture structure to be 50/50 owned by Decmil and Maroon Group

Assets and Operations

Calliope Village, Gladstone

- site located 20 km from Gladstone
- Currently 240 rooms completed and operational under lease to WICET.
- Stage 2 construction of a further 432 rooms for WICET in progress
- Development approval for up to 2,265 rooms on site
- Decmil to project manage and undertake continued construction per the terms of a construction contract executed between MDJV and Decmil
- Maroon Group Catering to undertake day-to-day operation of the Village

Governance

Project Management

- 50/50 operation in respect to Board composition, voting, decision-making
- Decmil appointees to MDJV Board to be Scott Criddle and Brad Kelman, Decmil's Group Manager – Commercial & Risk
- Operation of MDJV documented in a Shareholder and Unitholder Agreement executed by Decmil and Maroon Group on 29 November 2011
- Agreement to work together in relation to future opportunities within 100km radius of the Village site

DGL Decmil Group Limited

MG

50%

50%

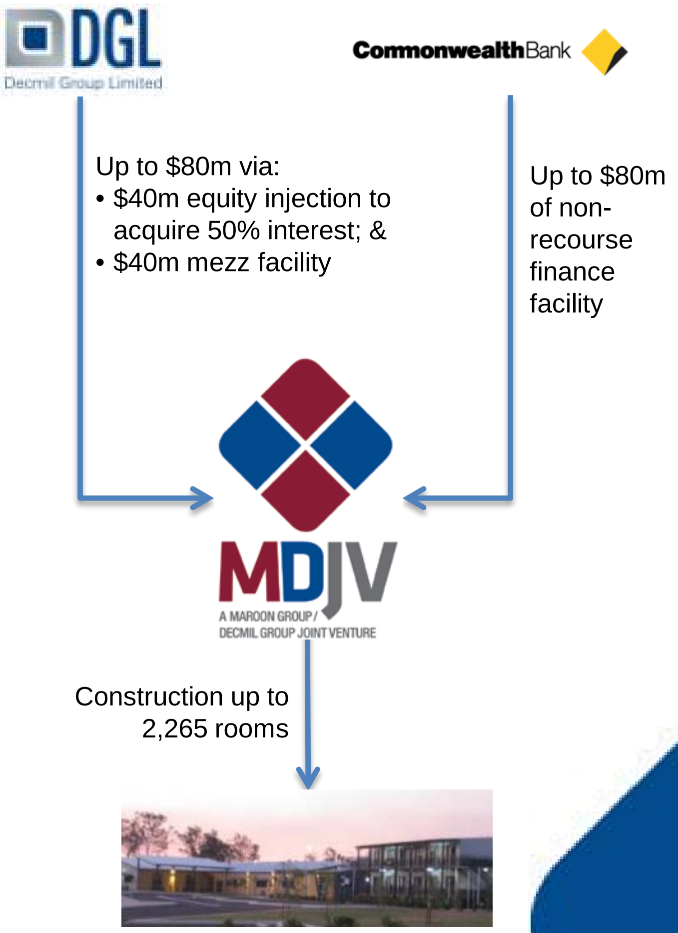
MDJV
A MAROON GROUP / DECMIL GROUP JOINT VENTURE

Responsible for ongoing:
- Project management
- Contract management
- Financial management
- Administration
- Legals

Financing Structure
Calliope Village Construction

Decmil and the CBA will make available up to $166 million of financing for the continued construction and operations of the Calliope Village

- To date, key cornerstone tenant WICET has provided interim financing facilities to MGA Gladstone Unit Trust to fund the initial stages of room construction
- Decmil will inject $40 million into the MGA Gladstone Unit Trust to acquire 50% of the units on issue in the MGA Gladstone Unit Trust, in accordance with the Shareholder and Unitholder Agreement
- This will retire the existing WICET debt facilities
- The Trustee has received a credit approved offer of finance from Commonwealth Bank of Australia (CBA) for up to $80 million of non-recourse project finance to be made available in tranches to fund further stages of construction at the Village
- Each tranche of CBA funding will be made available based on underlying accommodation agreements
- Decmil will also make available a further $40 million of mezzanine financing for further unit construction and $6m to assist the facilities manager with short-term working capital requirements(1)
- The above finance facilities provide the MDJV capacity to complete the construction of up to 1,683 rooms at the Village. The balance of project finance required to complete the construction up to 2,265 rooms will be sourced from the MDJV parties and reinvestment of project cash flows



(1) Subject to executing formal facility documentation

Calliope Accommodation Village, Gladstone

Located approximately 20 minutes from Gladstone with development approval for up to 2,265 rooms

MDJV
A MAROON GROUP / DECMIL GROUP JOINT VENTURE

- site located 20km from Gladstone with high quality accommodation and facilities
- Development approval for up to 2,265 rooms on site comprising:
  - 1,392 units on the northern side of Calliope River Road, with 720 car spaces
  - 873 units are proposed for the southern side of Calliope River Road, with 440 car spaces
- Currently 240 rooms completed and operational under lease to WICET
- Stage 2 development comprising 432 rooms under construction to be completed by April 2012 all leased to WICET
- WICET has options to take up to 252 additional rooms
- Proposed timetable for 2,265 room build-out for completion by April 2013
- Additional accommodation agreements with potential off-take parties are currently being negotiated and will underpin construction of additional stages of accommodation units


Accommodation unit, Village, November 2011

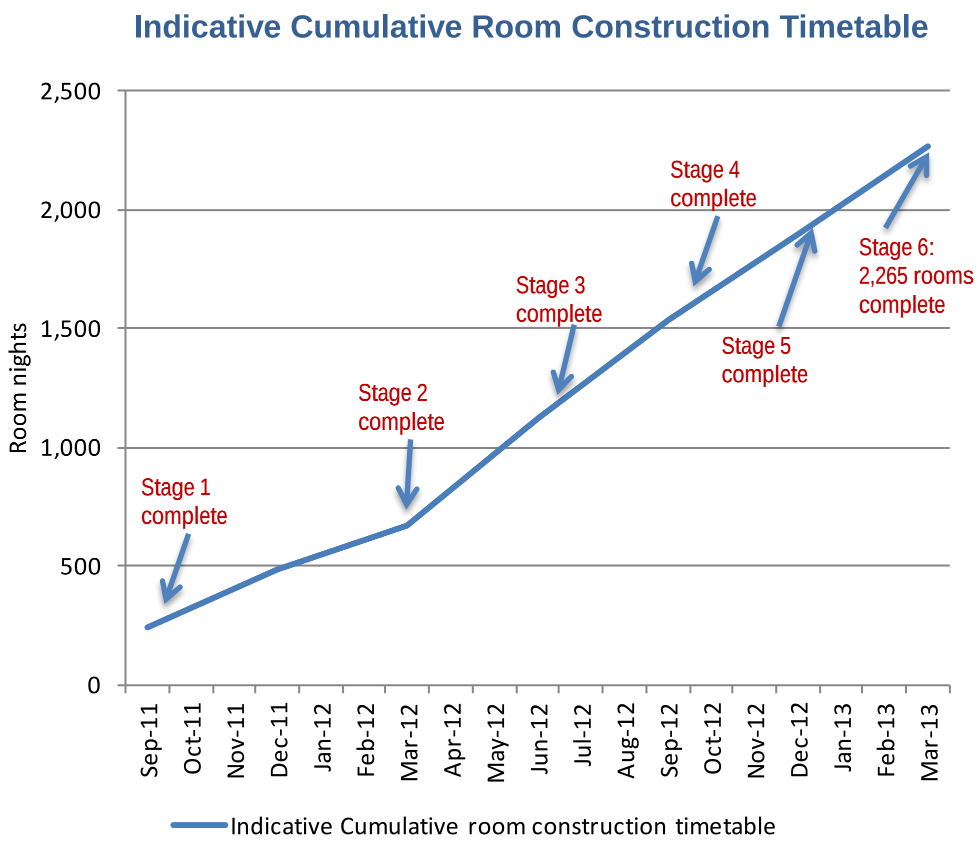

Village, November 2011


Communal facilities, Village, November 2011

Calliope Accommodation Village, Gladstone

JV construction timetable targets 2,265 rooms operating by April 2013

- First mover advantage into the Gladstone region will be strengthened by the ability to complete further construction as quickly as possible
- Significant projects announced for Gladstone regional area which are expected to require accommodation facilities include:
  - Gladstone Pacific Nickel processing plant
  - Gladstone Area Water Pipeline project
  - QR National rail line expansions
  - Surat Basin Railway extension
  - Boulder Steel Blast Furnace project
  - Balaclava Island Coal Terminal project
  - Gladstone LNG
  - Australian Pacific LNG
  - Queensland Curtis LNG

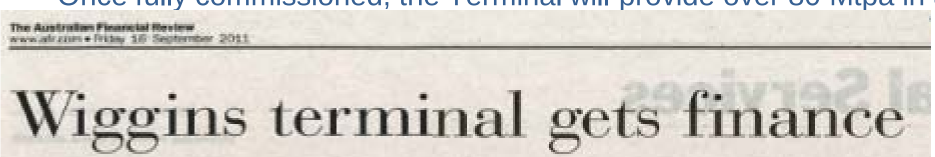


Decmil expects a 10+ year construction cycle to underpin accommodation demand

WICET – Key Cornerstone Tenant

WICET requires 1,000+ skilled labourers for the construction of a 27 Mtpa export coal facility by 2014. Subsequent construction phases will expand total export capacity to 80mtpa

- WICET is owned and being developed by existing and potential coal exporters located in Queensland to provide increased long term export coal capacity.
- The Wiggins Island Coal Terminal (Terminal) will be located at Golding Point, to the west of the existing RG Tanna and Barney Point Terminals.
- $2.5 billion financing package for Stage 1 construction was announced in September 2011
- Completion of Stage 1 construction will provide up to 27 Mtpa export capacity
- Once fully commissioned, the Terminal will provide over 80 Mtpa in additional export coal capacity through the Port of Gladstone.


The Australian Financial Review
www.afr.com • Friday 16 September 2011

Wiggins terminal gets finance

- The WICET consortium consists of eight Stage One owners:
  - * Aquila Resources
  - * Bandanna Energy
  - * Caledon Resources
  - * Cockatoo Coal
  - * Northern Energy Corporation
  - * Wesfarmers Curragh
  - * Xstrata Coal
  - * Yancoal

Wiggins Island Coal Terminal graphic aerial view
Source: www.wicet.com.au website

- WICET has the combined support of the Queensland Government, Gladstone Ports Corporation and other infrastructure providers
- The first coal shipments through the initial Stage 1 construction of the new Terminal are planned from 2014

Wiggins Island Coal Terminal site location, September 2011
Source: www.wicet.com.au website

Gladstone – Regional Accommodation Requirements

Industrial heart of Queensland undergoing a massive infrastructure and resource project expansion

- Major engineering projects currently under construction in the Gladstone region represent a total financial investment of circa $55 billion.
- Additional projects valued at $30 billion are proposed for the Gladstone region
- Demand for accommodation in the Gladstone region is high and projected to increase significantly over the next 3 – 5 year period
- Large-scale infrastructure development to support incoming transport of resources from Bowen Basin, Surat Basin and Gallilee Basin
- A selection of Gladstone regional projects currently under construction include:

Project	**Owner/ Sponsor**	**Est. A$ Project value**
Wiggins Island Coal Terminal	WICET	$4bn
Queensland Curtis LNG	BG/ QGC	$15bn
Yarwun Alumina Refinery	Rio Tinto	$2.1bn
Gladstone LNG	Santos/ Petronas/ Total/ Kogas	$16bn
Australian Pacific LNG	Origin & ConocoPhillips	$14bn
Gladstone Ports Western basin dredging	Gladstone Ports Corp	$0.7bn
Wiggins Island Rail line extension	QR National	$0.9bn
Powerlink infrastructure upgrades	Powerlink	$0.2bn+

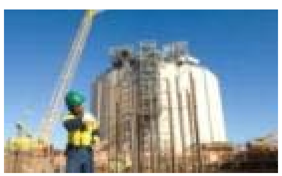
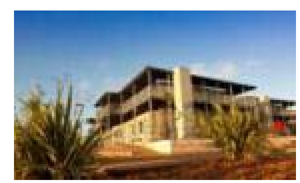
Source: Qld Dept of Mines and Energy, September 2011

Labour supply remains tight and high-quality accommodation is key to staff attraction and retention

DELIVERING ON THE STRATEGY

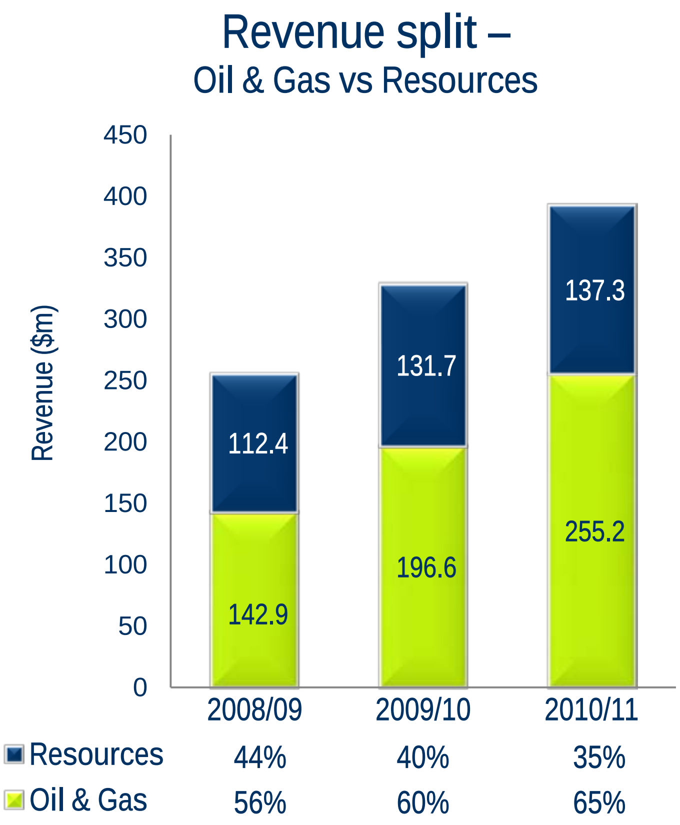
Expansion of Capabilities

Recurring revenue stream generation via the Build-Own-Operate Village model

EXISTING CAPABILITIES		+	DIVERSIFICATION	
			MDJV Gladstone	Future Opportunities
CIVIL CONSTRUCTION	BUILDING CONSTRUCTION		MAINTENANCE & OPERATIONS	INFRASTRUCTURE
	Non-Process	Accommodation	Recurring earnings stream	
				
Small & large-scale brownfield greenfield civil concrete	Industrial buildings, plants, storage facilities & workshops	Design & construct permanent and temporary accommodation facilities	Build, own and operate accommodation villages	Civil infrastructure services
Resources Oil & Gas	Resources Oil & Gas Government	Resources Oil & Gas	Resources Oil & Gas Infrastructure Providers	Resources Oil & Gas Government Utility Providers

Oil & Gas Sector – Delivering on the Strategy

- **Oil & Gas sector key strategic target** area
- **Generated increasing revenues** over last 3 years
- Oil & Gas project capex "locked-in post FID – hence **less susceptible to commodity cycle fluctuations** than Resources projects
- **Decmil has successfully worked on many of WA's major Oil & Gas projects including:**
  - **Gorgon** ($43 billion project) for Chevron ($200+ million work to date)
  - **Pluto** ($13 billion project) for Woodside ($400+ million work to date)
  - **North West Shelf** for Woodside ($30+ million)
  - **Wheatstone** ($29 billion project) for Chevron ($70m Project Fly Camp awarded in October 2011)



FINANCIAL HIGHLIGHTS AND IMPACT ON DECMIL

Financial Impact of Transaction

		FY 11	FY 10*	Change
Revenue	$m	394.2	329.0	+20%
EBITDA	$m	35.4	29.9	+18%
NPAT	$m	23.5	19.0	+24%
EPS (Basic)	cps	18.9	15.5	+22%
Return on Equity	%	20.6	21.0	-1.9%

**Above figures relate to continuing operations*

Contract wins contributing to FY12 performance:

- Karntama Village for FMG's Christmas Creek Project in Western Australia's Pilbara region
- Warrawandu Accommodation Facility for BHP
- Project Fly Camp including central facilities for Wheatstone LNG Project for Chevron

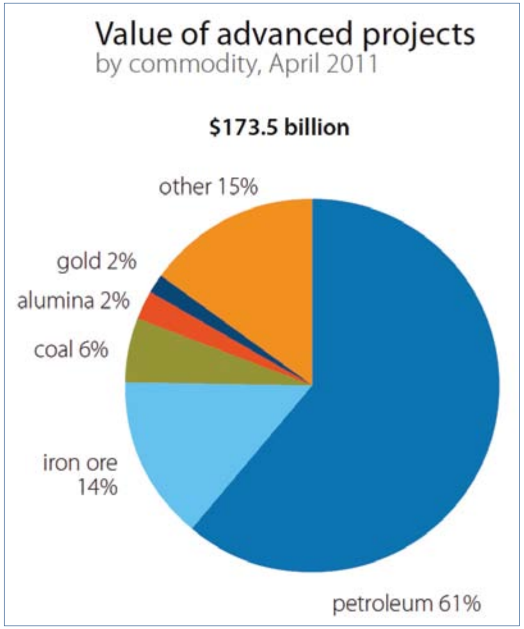
Financial impact of the transaction:

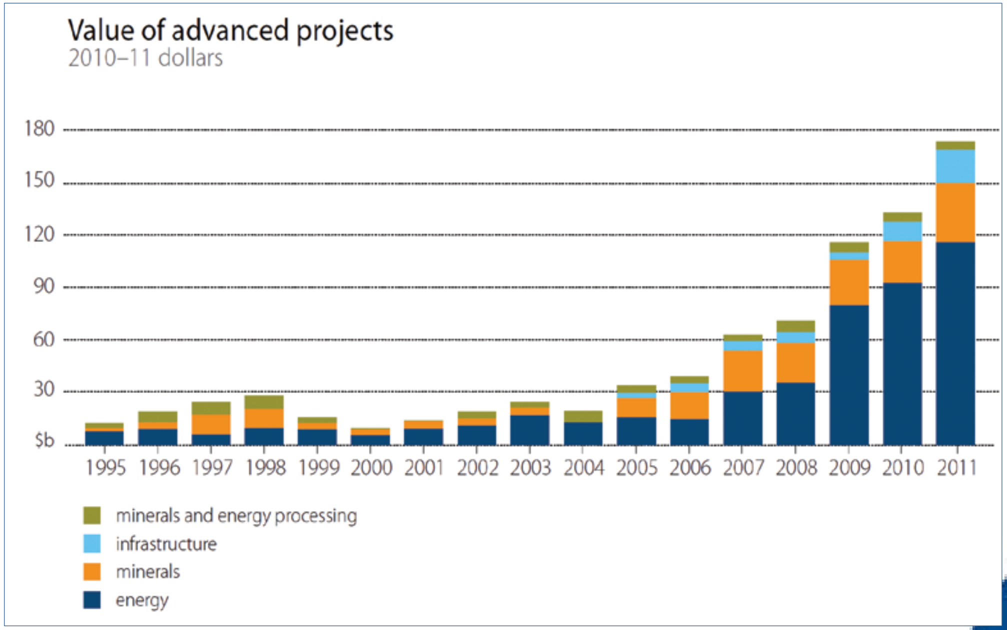
- The impact of the Entitlement Offer and the construction phase at the Village to be EPS neutral in FY12; however:
- Once the Village is fully operational the contribution of JV earnings will be **significantly EPS accretive to Decmil in FY13 and increasing in subsequent years.**
- Once fully operational the Village is **expected to generate significant cash flow** resulting in a **short payback period and high return on investment**

MACROECONOMIC OUTLOOK & TENDER PIPELINE

Project Pipeline

- **DGL key sectors – Mineral Resources and Oil & Gas**
- **North West Australia – currently very strong project pipeline**
  - Oil & Gas – Gorgon, Wheatstone, Browse
  - Iron Ore – RGP6, Rio 330 expansion, FMG
- **Very strong increase in Oil & Gas (energy) projects**
- **Lift in iron ore projects**



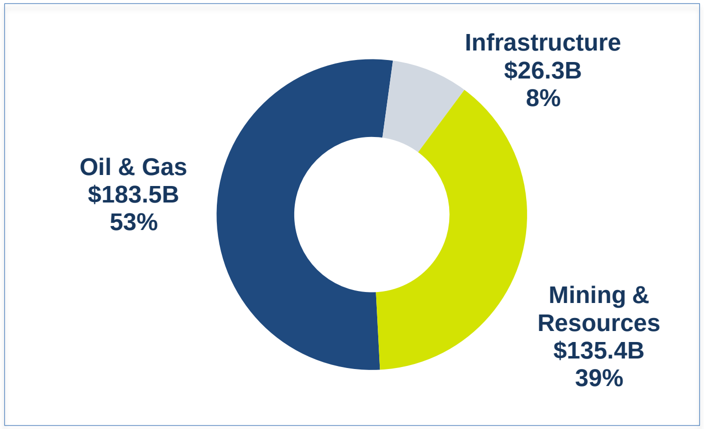


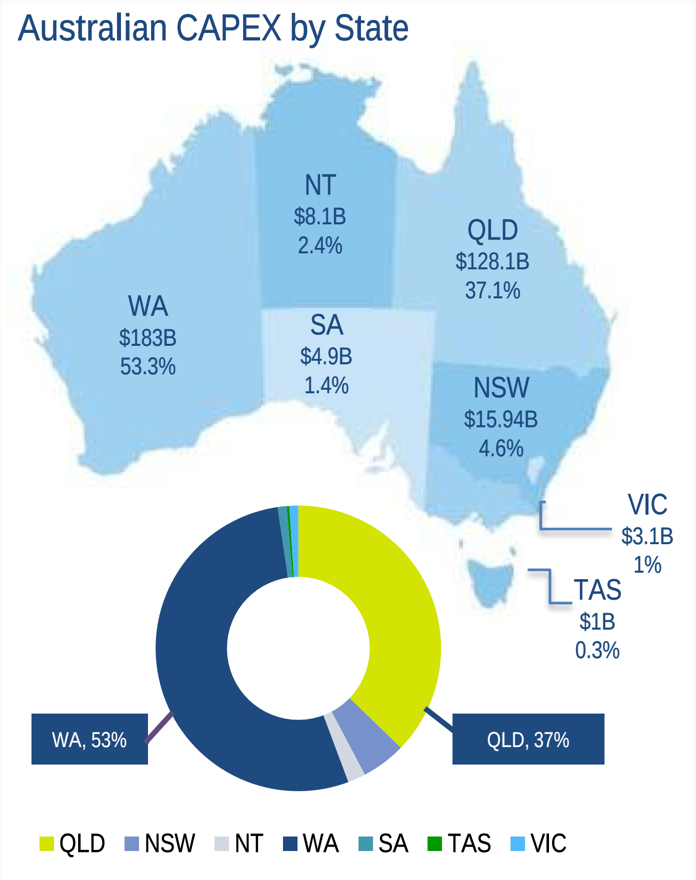
Source: ABARES

Project Pipeline

- **5 year forecast - major project capex is A$345 billion across 267 projects**
- **Strength in iron ore, coal and LNG**

CAPEX Forecast Australia (2011 – 2016)	
Resources	$135.3B
Oil & Gas	$183.5B
Infrastructure (rail, port & terminal)	$26.3B
Total CAPEX	$345.1B
Committed	$129B
Not Yet Committed	$216B





Source: ABARE April 2011 Minerals & Energy – Major Development Projects

Project Pipeline

- **Strong near-term project pipeline** in key target sectors
- Decmil **leveraged to significant pipeline of work for LNG and iron ore expansion**
- **More than $4.01b in contracts** to be **awarded over the next year**

	CLIENT	PROJECT	TYPE	CONTRACT VALUE	AWARD TIMING*
WA	BHP Billiton	RPG6, RGP6A, Quantum	Village,Civils, NPI	$600m	Mid 2012
	Rio Tinto	Expansion to 283mtpa	Civils, NPI	$250m	Mid 2012
	Chevron	Wheatstone	Civils, NPI	$500m	Mid 2012
	Woodside	Browse	Village, Civils, NPI	$1.5b	2013
	Hancock	Roy Hill	Village, Civils, NPI	$500m	Mid 2012
	API (Aquila)	API JV	Village, Civils	$300m	Mid 2012
QLD	BMA	Caval Ridge Mine	Village, Civils, NPI	$150m	Early 2012
	Xstrata	Wandoan	Village	$100m	Mid 2012
	Hancock Coal	Alpha	Village	$110m	Mid 2012
	TOTAL			$4.01 billion	

*Timing subject to client change

EQUITY RAISING DETAILS

Entitlement Offer Details

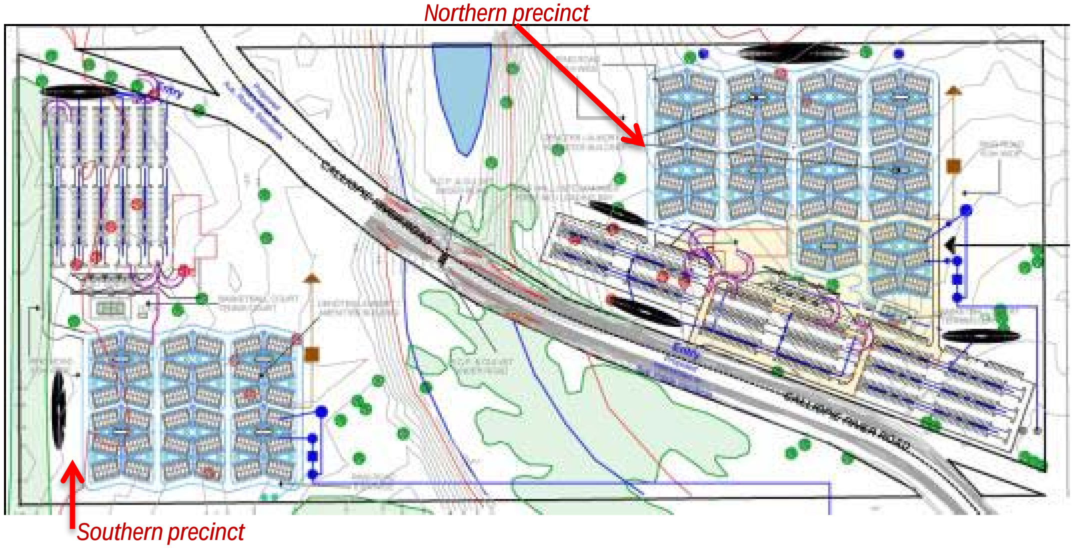
Entitlement Offer Structure and Size	▪ 1 for 3 accelerated non-renounceable pro rata Entitlement Offer to raise approximately $85 million ▪ Approximately 41.3 million new ordinary shares to be issued ("New Shares") ▪ Record Date 7pm AEDT on Friday 2 December 2011 ▪ Entitlement Offer fully underwritten by GMP Securities Australia Pty Ltd subject to the successful completion of the Institutional Entitlement Offer
Offer Price	▪ $2.05 per share • 4.2% discount to Decmil's closing price of $2.14 on Monday 28 November 2011 • 4.2% discount to the 5-day VWAP of $2.14 • 6.4% discount to the 10-day VWAP of $2.19 • 4.9% discount to the 30-day VWAP of $2.15
Institutional Entitlement Offer	▪ Institutional Entitlement Offer to raise approximately $65 million ▪ Institutional Entitlement Offer is accelerated over Tuesday 29 to Wednesday 30 November 2011 ▪ Institutional shortfall bookbuild on Thursday 1 December 2011
Retail Entitlement Offer	▪ Retail Entitlement Offer to raise approximately $20 million ▪ Retail Entitlement Offer period from Monday 5 December to Friday 16 December 2011
Ranking of New Shares	▪ New Shares issued under the Entitlement Offer will rank equally with existing shares on issue

Use of Proceeds

Proceeds will be used to fund the acquisition of 50% of units in the MGA Gladstone Unit Trust holding the Village assets and continued construction

- Proceeds raised from the Entitlement Offer will be used to fund:
  - Decmil's $40 million equity consideration to acquire a 50% interest in the MGA Gladstone Unit Trust and Trustee, owner of the Village;
  - together with existing cash reserves, Decmil's commitment to make available up to $40 million of sub-ordinated mezzanine financing to the MGA Gladstone Unit Trust to fund the continued construction of rooms at the Calliope Accommodation Village and $6m to assist the facilities manager with working capital requirements; and
  - Costs of the Entitlement Offer

Village, Gladstone graphic aerial view



Village, Gladstone November 2011

Indicative Entitlement Offer timetable

Key dates for the Entitlement Offer

Execution of MDJV Shareholder & Unitholder Agreement and ASX Trading Halt	Pre-market Tuesday 29 November 2011
Institutional Entitlement Offer Period	Tuesday 29 November – Thursday 1 December 2011
Institutional Bookbuild	Thursday 1 December 2011
Re-commencement of trading on ASX	Friday 2 December 2011
Record Date	7pm AEDT Friday 2 December 2011
Retail Entitlement Offer	Monday 5 December – Friday 16 December 2011
Institutional Entitlement Offer Settlement Date	Thursday 8 December 2011
Institutional Entitlement Offer Allotment and Trading Date	Friday 9 December 2011
Announcement of results of Retail Entitlement Offer	Monday 19 December 2011
Dispatch of holding statements for New Shares under the Retail Entitlement Offer	Friday 23 December 2011
Trade date for New Shares issued under the Retail Entitlement Offer	Wednesday 28 December 2011

The above timetable is indicative only and subject to change at Decmil's discretion subject, as required, to ASX approval

KEY RISKS

Key Risks

Introduction

A number of risks and uncertainties, which are both specific to Decmil and of a more general nature, may affect the future financial performance and position of Decmil and the value of Decmil shares (including the New Shares). A non-exhaustive list of key risks that Decmil has identified is set out below. Additional risks and uncertainties not identified below, including but not limited to risks that Decmil is unaware of, or that Decmil currently does not consider to be material, may also become important factors that may have an adverse effect on Decmil's future financial performance and position.

Risks associated with Decmil's operations

- ***General commercial and operational risks***

  Decmil faces general commercial and operational risks including the risks of loss of (or losses on) major contracts or reputation (including damage to brand), increased competition, industrial or operational disruption (for example as a result of work stoppages, political unrest, war, natural disasters or adverse weather conditions) and litigation, all of which may have an adverse effect on Decmil's future financial performance and position.

- ***Major contracts***

  Decmil frequently enters into major contracts of significant value. There are risks associated with these contracts including counterparty risks, counterparty solvency, design risks and risks of cost overruns on fixed price contracts (including the possibility of liquidated damages). In addition, Decmil may in the future have disputes (including litigation) with counterparties in respect of major contracts and this may have an adverse effect on Decmil's future financial performance and position.

- ***Completion of Maroon Group Agreement***

  The Shareholder and Unitholder Agreement with the Maroon Group in relation to the Village is subject to a number of conditions which must be satisfied or waived by 22 December 2011 (or such later date as agreed), being execution of formal documentation for the secured project financing facility of up to $80 million with CBA, DGL's mezzanine financing facility, execution of intercreditor deeds between the relevant parties and related minor administrative matters. The Company does not consider there to be a material risk that the conditions will not be satisfied or waived by the due date.

- ***Subcontractors***

  Decmil subcontracts to third parties in certain instances. Decmil may be exposed to liability for non-performance by third parties or be required to source resources from additional providers where those third parties do not perform their obligations under those contracts. This may have an adverse effect on Decmil's future financial performance and position.

Key Risks

- ***Exposure to activity levels in different markets and regions***

  Decmil's operating and financial performance is sensitive to the level of activity within the oil and gas, resources and mining industries, which can be cyclical and sensitive to a number of factors beyond the control of Decmil. In addition, Decmil may not be able to predict the timing, extent or duration of the activity cycles within the industries in which it operates. Decmil's involvement in different markets and regions provides it with some level of diversification, but specific market or regional levels of activity, cyclicality or volatility may present risks or opportunities for Decmil's future financial performance and position.

- ***International Suppliers***

  Decmil sources materials from international suppliers. International sales and operations are subject to a number of risks, including potential difficulties in enforcing agreements, increases in costs for transportation and shipping and restrictive governmental actions, such as imposition of trade quotas, tariffs and other taxes. There is also a risk that international suppliers may be unable to deliver materials or that the materials delivered by such suppliers may be of inferior quality. While Decmil endeavours to mitigate this risk, it is not able to guarantee that the supply of materials from international suppliers will be adequate. Any of these factors could materially and adversely affect Decmil's business, reputation and financial condition.

- ***Availability of key materials and equipment***

  The unavailability of materials and equipment, for example types for heavy equipment in a resources boom, may cause disruption to productivity and delays to completion, with consequent increased costs to Decmil's projects. This may have an adverse effect on Decmil's future financial performance and position.

- ***Recruitment and retention of personnel***

  Decmil's growth and profitability may be limited by the loss of key operating personnel, the inability to recruit and retain skilled and experienced employees or by increases in compensation costs associated with attracting and retaining personnel. Decmil is dependent on the availability of suitably skilled labour to provide its services and accordingly access to labour represents an ongoing risk to the business. Access to labour is a relevant factor particularly in Australia.

- ***Industrial incidents***

  Decmil's operations involve risk to both property and personnel. An industrial incident may occur that results in serious injury or death, damage to property or contamination of the environment, which may have an adverse effect on Decmil's future financial performance and position.

Key Risks

- ***Investment risk***

  Decmil invests in projects in the resources, infrastructure and property markets and strategically through direct interests in companies that are active in these markets. These investments may be illiquid in nature and may impact on profits on divestment. Valuations are based on a number of assumptions, which may subsequently prove to be incorrect. As a consequence, the value and returns from investments may vary over time.

- ***Write-down / impairment risk***

  Decmil cannot guarantee that there will be no write-downs/impairments of any of its investments. Any material write-downs of any of its investments in the future may have an adverse effect on Decmil's future financial performance and position.

- ***Execution of growth strategy***

  Decmil is currently progressing a number of growth initiatives within its strategic framework. In addition to potential acquisitions of businesses, Decmil also plans to grow the activities of its businesses (ie organic growth) where appropriate to do so. Expansions or acquisitions could expose Decmil to additional and unforeseen risks and costs, including regulatory and other costs associated with operations in industries and markets in which it previously has not operated, and this may strain financial and management resources. Furthermore, integration of new businesses into the Decmil Group may be costly and may occupy a large amount of management time and there is a risk that Decmil will not derive the optimum value which it expects from the integration of new businesses. Any failure of the execution of its growth initiatives may have an adverse effect on Decmil's future financial performance and position.

- ***Contingent liabilities***

  In the ordinary course of Decmil's business, bank guarantees, insurance, performance and payment bonds and letters of credit are issued by banks and insurance companies to provide clients of Decmil with third party security in relation to the completion of projects and the satisfaction of equity commitments. As a consequence of the nature of the projects and contracts to which Decmil is a party, there is a risk that guarantees, bonds and letters of credit may be called upon, and that Decmil would be required by the banks and insurance companies to fund payments under guarantees, bonds and letters of credit. This may, in turn, have an adverse effect on Decmil's future financial performance and position.

- ***Parent company guarantees and indemnities***

  In the ordinary course of its business, Decmil may provide letters of comfort, guarantees or indemnities in respect of the performance by subsidiaries, associates and other related parties of their contractual and financial obligations. If any such letters, guarantees or indemnities are called upon, Decmil's future financial performance and position may be adversely affected.

- ***Insurance***

  The availability of insurance at an appropriate price and on appropriate terms is important to Decmil's operations and is not guaranteed. The occurrence of an event that is not fully covered, or covered at all, by insurance, may have an adverse effect on Decmil's future financial performance and position.

Key Risks

- ***Competition***

  Decmil operates in a competitive environment and has a broad range of competitors across its operations in Australia. There is a risk that competition may limit Decmil's ability to implement successfully its business strategy, which may have an adverse effect on Decmil's future financial performance and position.

- ***Industrial relations***

  Industrial relations, particularly in the Australian construction industry, are influenced by changes in government legislation, negotiation of workplace and project agreements, and related matters. Industrial disputes can adversely impact project completion and may have an adverse effect on Decmil's future financial performance and position.

- ***Greenhouse gas emissions***

  Decmil considers itself a small emitter of greenhouse gases. The Australian Federal Government has announced a cap and trade emissions trading system, the Carbon Pollution Reduction Scheme (CPRS), which is currently deferred. The Government has announced a fixed carbon price to commence from 1 July 2012. Unless and until the above proposals are finalised, their impact on Decmil's financial performance and position will remain unclear. However, any charges on greenhouse gas emissions imposed (directly or indirectly) on Decmil may or may not be recoverable from customers in a timely manner (or at all) and this may have an adverse effect on Decmil's future financial performance and position.

- ***Regulation of resource projects***

  The Australian Federal Government is in the process of considering legislation in relation to a Mining Resource Rent Tax (MRRT) for certain coal and iron ore projects. Uncertainty relating to government legislation such as the MRRT could lead to delays and project abandonment, which would adversely affect the market for services which Decmil provides.

- ***Joint ventures***

  Decmil is a party to joint ventures. Decmil, in some cases, may not be the manager of the joint venture. Decmil is subject to the risks associated with joint ventures, which include joint and several liability and disagreements with respect to operational and financial matters. Where a joint venture partner does not act in the best interests of the joint venture, it may have an adverse effect on Decmil's future financial performance and position.

- ***Information technology***

  Decmil's business is dependent on the efficient operation of information technology systems. Failure of such systems could result in business interruption, the loss of customers, damaged reputation and a weakening of its competitive position, particularly where substitute technology systems are not available on acceptable terms. Additionally, the use by competitors of alternative, superior technologies may pose a threat to Decmil's profitability and market share.

Key Risks

Other risks

- ***General equity market investment risk***

  There are risks associated with investment in equities. The trading price of Decmil shares may fluctuate with movements in equity capital markets in Australia and overseas. It should be noted that there is no guarantee that the New Shares will trade at or above the Offer Price or that New Shares sold in the Shortfall Bookbuild will be sold for a premium above the Offer Price.

- ***Past performance no guidance***

  Investors should note that the past performance of Decmil Shares on ASX provides no guidance as to its future share price performance.

- ***Global economic conditions***

  Decmil's operating and financial performance is influenced by a variety of general economic and business conditions, including changes to monetary policy, fiscal policy, interest rates, foreign currency exchange rates, tax rates, oil and commodity prices and inflation across Australia. In recent years the global economy has experienced a range of adverse effects (including high energy costs and slowing demand) and any deterioration in economic conditions may decrease the demand for Decmil's contracting services and development skills for each of its key markets and may result in an adverse effect on Decmil's future financial performance and position. These effects may occur over a short or long period.

- ***Claims***

  From time to time Decmil seeks compensation for damages from third parties due to a failure of those parties to perform obligations under contracts and Decmil sustains damages as a result. Decmil financial performance and position may be impacted if Decmil is unsuccessful in or there is a delay in the payment of its claims for compensation.

- ***Recoveries***

  Decmil has various claims and variations receivable from clients that are in various stages of negotiation. Decmil’s financial performance and position may be impacted if recovery of those monies are not received.

- ***Demand for commodities***

  Decmil's future financial performance and position may be influenced by the demand for commodities, which is currently supported by the industrialisation and urbanisation of China, India and other developing countries. If there is a decline in the economic growth of these developing countries or there is a reduction in demand for commodities, Decmil's future financial performance and position may be affected adversely.

- ***Government policy and regulation***

  Decmil's business is affected by government policy and legal and regulatory oversight—including tax, environmental and industrial (including occupational health and safety) regulation. Changes in government policy and legal and regulatory oversight may have an adverse effect on Decmil's future financial performance and position.

Key Risks

- ***Government clients***

  Public authorities in Australia are potential clients of Decmil. Changes in prioritisation of government spending or restrictions on the level of spending undertaken by governments could impact the level of earnings generated by Decmil.

- ***Continued access to credit markets***

  Decmil has existing credit facilities including guarantees, bonds, debt and letters of credit on its balance sheet. Continued access to credit markets to refinance existing facilities and to establish new facilities to facilitate growth is important to Decmil's business. In recent years, developments in global financial markets have adversely affected the liquidity of global credit markets. This has resulted in an increase in the cost of funding and in some cases a reduction in the availability of some funding sources throughout global markets, including Australia. Restrictions to ongoing access to credit markets on favourable terms may limit Decmil's ability to fund working capital requirements, undertake future projects, develop new business initiatives or respond to competitive pressures and this may have an adverse effect on Decmil's future financial performance and position.

- ***Counterparty access to credit markets and solvency issues***

  Parties with whom Decmil contracts for future projects may be unable to fund new developments due to adverse conditions in the global credit markets, which may give rise to solvency issues. These parties may include governments. Any failure by Decmil's contract parties to provide funding for these future projects may have an adverse effect on Decmil's future financial performance and position.

- ***Interest rates***

  Decmil is subject to the risk of rising interest rates associated with its floating rate borrowings and credit facilities. Decmil manages its interest rate risk to minimise any adverse effect of interest payments on its floating rate borrowings. Decmil may have residual exposure that may result in an adverse effect on its future financial performance and position.

- ***Breach of covenants***

  Decmil has various covenants in relation to its credit facilities. Factors such as increases in base rates, increased borrowings and weak operational performance could lead to Decmil breaching its debt covenants. In certain circumstances, lenders may require that such credit facilities be repaid immediately. Under such a scenario, there is no guarantee that Decmil will be able to secure alternative financing on commercially acceptable terms or at all.

- ***Other risks***

  The above risks are not exhaustive of the risks faced by the Decmil Group and Decmil shareholders. The risks outlined above and other risks may have an adverse effect on Decmil's future financial performance and position. Accordingly, no assurances or guarantees of future performance, profitability, distributions or return of capital are given by Decmil in respect of Decmil.

FOREIGN SELLING RESTRICTIONS

Foreign Selling Restrictions

International Offer Restrictions

- This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. New Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

Canada (British Columbia, Ontario and Quebec provinces)

- This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such New Shares. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – Prospectus and Registration Exemptions, of the Canadian Securities Administrators.
- No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of New Shares and any representation to the contrary is an offence.
- No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements.
- The Company, and the directors and officers of the Company, may be located outside Canada, and as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada, and as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.
- Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages or rescission

- Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

Foreign Selling Restrictions

Canada (British Columbia, Ontario and Quebec provinces) (continued)

- The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that (a) the Company will not be liable if it proves that the purchaser purchased the New Shares with knowledge of the misrepresentation; (b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of the New Shares as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the New Shares were offered.
- Section 138 of the Securities Act (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.
- Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding, or disposition of the New Shares as any discussion of taxation related maters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.
- Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

Foreign Selling Restrictions

Hong Kong

- **WARNING**: This document has not been, and will not be, registered as a prospectus under the Companies Ordinance (Cap. 32) of Hong Kong (the "Companies Ordinance"), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong by means of any document, other than (i) to "professional investors" (as defined in the SFO) or (ii) in other circumstances that do not result in this document being a "prospectus" (as defined in the Companies Ordinance) or that do not constitute an offer to the public within the meaning of that ordinance.
- No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such shares in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such shares.
- The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Foreign Selling Restrictions

United Kingdom

- Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares. This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.
- Any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of FSMA does not apply to the Company.
- In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

United States

- This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

APPENDICES

Current Projects

Pluto LNG Project

CLIENT Woodside Energy

VALUE $400+ million

DETAILS Supply and install concrete foundations and pedestals, in-ground electrical & hydraulic services. Construction of temporary site facilities & misc civil works.

Current Projects

Gorgon Construction Village

CLIENT Chevron

VALUE Total JV contract $700m+
(Decmil $233 million)

DETAILS Construct 4,000 person village on Barrow Island

Gorgon LNG Project - Site Preparation

CLIENT Thiess (Chevron)

VALUE $74 million

DETAILS Design and construct temporary construction warehouses, transportable buildings & workshops

Karntama Accommodation Village - Stages 1 & 2

CLIENT Fortescue Metals Group

VALUE $146 million

DETAILS Design and construct 1600-person resort style village

Current Projects

Warrawandu Village

CLIENT BHP Billiton

VALUE $83 million

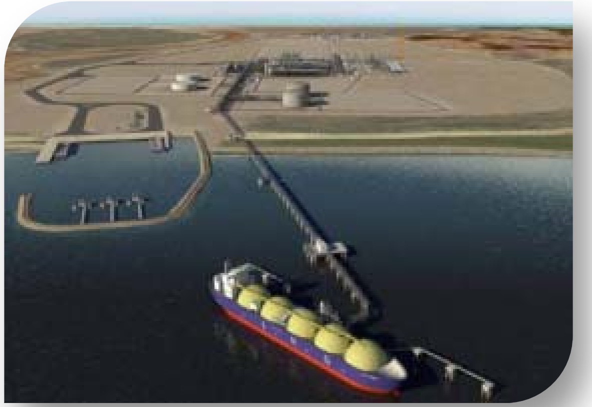
DETAILS Design and construct 1080-person village & EPCM facilities

Wheatstone LNG Project

CLIENT Chevron

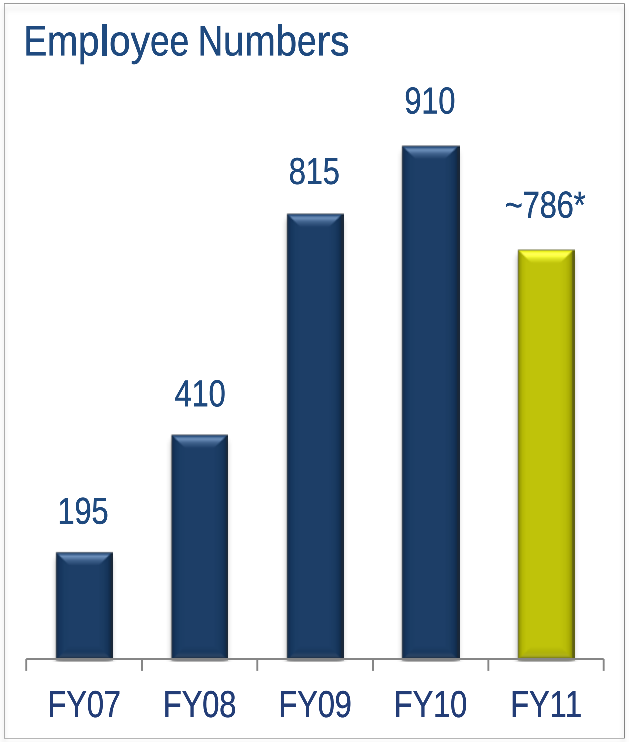
VALUE $70 million

DETAILS Design, supply and install Fly Camp



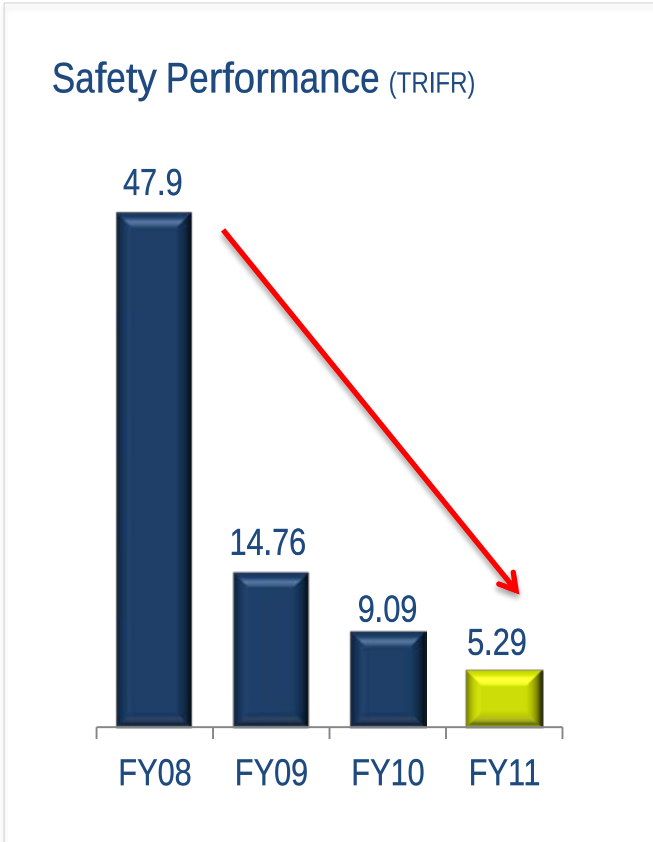
People

- Key management appointments
- **Strong estimating and project management capabilities** in line with future projects pipeline
- **Employee numbers to** increase in line with work flow
- **Labour market conditions** expected to tighten
- **Active attraction and retention strategies**



*At October 2011

Safety Performance



TRIFR = Total Recordable Incident Frequency Rate

- **No serious injuries**
- Total Recordable Incident Frequency Rate (**TRIFR**) of 5.29, **58 % improvement**
- Recorded almost **3 million working hours Lost Time Injury Free**
- Achieved **GOLD Safe Way Achiever Award** from IFAP for audit of Health and Safety Management system
- Continued **investment in workforce training** to achieve ‘zero harm’ target.

Community Commitment

NYIMARR DECMIL
A Strategic Alliance Building Sustainability

- Decmil supports initiatives that **help to create healthy, vibrant and cohesive communities**
- **5-year Nyimarr Decmil Strategic Alliance** to deliver multiple building and civil Joint Venture projects throughout the Kimberly Region
- Targeting **Government, Private, Resource and Oil & Gas** project opportunities in Kimberley