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Friday 2 December 2011

SUCCESSFUL COMPLETION OF INSTITUTIONAL COMPONENT OF ENTITLEMENT OFFER

Completion of Institutional Entitlement Offer

- **Institutional Entitlement Offer successfully closed to raise approximately \$64 million**
- **Institutional Entitlement Offer well supported by existing and new institutional investors**
- **Retail Entitlement Offer opens Monday 5 December 2011**

Decmil Group Limited (**DGL**) today announced the successful completion of the institutional component of its fully underwritten 1 for 3 accelerated non renounceable entitlement offer (**Entitlement Offer**) of new DGL ordinary shares (**New Shares**) at an offer price of \$2.05 per New Share (**Offer Price**) to raise approximately \$85 million.

The close of the institutional component of the Entitlement Offer (**Institutional Entitlement Offer**) represents the first stage of DGL's \$85 million equity raising, announced on 29 November 2011.

The Institutional Entitlement Offer has raised approximately \$63.4 million through the issue of approximately 30.9 million shares (subject to final shareholding reconciliations).

The Institutional Entitlement Offer attracted strong demand from DGL's existing institutional shareholders as well as introducing a number of new institutional investors to the share register.

The Entitlement Offer is fully underwritten by GMP Securities Australia Pty Ltd.

Austock Securities and Hartleys Limited acted as co-brokers to the Retail Entitlement Offer.

As announced on Tuesday 29 November 2011, the net proceeds of the Entitlement Offer will be used by DGL to fund the acquisition of a 50% interest in the MGA Gladstone Unit Trust, which has been established to build-own-operate an accommodation village near Gladstone, Queensland.

DGL's Managing Director, Scott Criddle, said: "The strong support for the capital raising demonstrated by our existing shareholders as well as from new investors provides strong verification of the merits of our strategy to generate a more sustainable earnings streams, particularly given the volatile equity markets that currently exist. The new funds raised from the Entitlement Offer will enable DGL to participate in the ownership and development of the accommodation village and service the increasing demand for high quality accommodation in the Gladstone region."

New Shares taken up under the Institutional Entitlement Offer are expected to be issued on Friday 9 December 2011 and commence trading on ASX on Monday 12 December 2011.

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Commencement of Retail Entitlement Offer

The retail component of the Entitlement Offer (**Retail Entitlement Offer**) will open on Monday 5 December 2011 and close at 5.00pm (AEDT) on Friday 16 December 2011. The Retail Entitlement Offer has been fully underwritten by GMP Securities Australia Pty Ltd and is expected to raise approximately \$21.5 million.

Retail shareholders who are eligible to participate under the terms of the Retail Entitlement Offer (**Eligible Retail Shareholders**) will be able to subscribe for 1 New Share for every 3 DGL ordinary shares held at 7.00pm (AEDT) on Friday, 2 December 2011 (**Record Date**), at the same \$2.05 Offer price as the Institutional Entitlement Offer.

Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer should carefully read the retail offer booklet, which will be sent on Monday, 5 December 2011.

Eligible Retail Shareholders wishing to acquire New Shares under the Retail Entitlement Offer will need to apply for New Shares pursuant to the instructions set out on the personalised Entitlement and Acceptance Form that will accompany the retail offer booklet.

Retail shareholders who have further questions regarding the Offer should call the Decmil Group Limited Shareholder Information Line on 1300 557 010 (within Australia) or +61 3 945 4000 (from outside Australia) at any time from 9.00am to 5.00pm (AEDT) Monday to Friday during the Retail Entitlement Offer period.

DGL expects its trading halt to be lifted and shares to recommence trading today on an ex-entitlement basis.

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