

2 December 2011

Company Announcements Platform
Australian Securities Exchange
Level 4
20 Bridge Street
SYDNEY NSW 2000

By Electronic Lodgement

Dear Sir/Madam

Notice to Ineligible Shareholders

Attached is a copy of a Notice which will be sent to shareholders ineligible to participate in the Entitlement Offer announced by Decmil Group Limited on 29 November 2011.

Yours sincerely



Brad Kelman
Company Secretary

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ASX DCG
ABN 35 111 210 390

NOTICE TO INELIGIBLE FOREIGN SHAREHOLDERS

5 December 2011

ASX Code: DCG

CAPITAL RAISING VIA PRO-RATA NON-RENOUNCEABLE ACCELERATED

ENTITLEMENT ISSUE

NOTICE TO INELIGIBLE FOREIGN SHAREHOLDERS

This notice is given by Decmil Group Limited (**Decmil** or the **Company**) under Section 9A(3) of the *Corporations Act 2001* (Cth) (**Corporations Act**) as notionally modified by Australian Securities and Investment Commission Class Order 08/35.

The Company intends to raise up to \$85 via a pro-rata non-renounceable accelerated entitlement issue (**Entitlement Offer**) of one (1) new fully paid ordinary share (**New Shares**) in the Company for every three (3) fully paid ordinary shares (**Shares**) held as at 7:00pm (AEDT) on 2 December 2011 (**Record Date**) to all shareholders of the Company (**Shareholders**).

New Shares under the Entitlement Offer will be offered at \$2.05 per New Share. Based on the current capital structure (and assuming no options to acquire Shares are exercised prior to the Record Date), if the Entitlement Offer is fully subscribed, an additional 41.4 million New Shares will be issued and approximately \$85 million will be raised through the Entitlement Offer.

The Entitlement Offer will comprise:

- an entitlement offer to eligible institutional shareholders (**Institutional Entitlement Offer**) and
- an entitlement offer to eligible retail shareholders (**Retail Entitlement Offer**)

The Entitlement Offer is being made without a prospectus or product disclosure document in accordance with section 708AA of the *Corporations Act 2001* (Cth) as modified by ASIC Class Order 08/35.

This notice is to inform you that you are not an eligible Shareholder for the purposes of the Retail Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation to apply for New Shares. You are not required to do anything in response to this letter.

Shareholders who are eligible to participate in the Retail Entitlement Offer (**Eligible Retail Shareholders**) are those persons who:

- (a) are registered as a holder of ordinary shares in Decmil as at

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7.00pm (AEDT), 2 December 2011;

- (b) have a registered address in Australia or New Zealand;
- (c) are not in the United States;
- (d) did not receive an offer to participate (other than as a nominee) or were otherwise ineligible to participate under the Institutional Entitlement Offer; and
- (e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer:

Decmil has determined, pursuant to Section 9A of the Corporations Act and Listing Rule 7.7.1 (a) of the ASX Listing Rules, that it would be unreasonable to make offers to shareholders in all countries outside Australia and New Zealand in connection with the Retail Entitlement Offer. The securities laws of many countries require the use of offer documents specific to that country or compliance with local laws for the Retail Entitlement Offer to be made to those countries.

The Company has decided that it is unreasonable to offer New Shares for issue under the Retail Entitlement Offer to persons with a registered address outside of Australia and New Zealand after taking into account the following matters:

- (a) the number of retail Shareholders to whom offers outside those jurisdictions would be made;
- (b) the number and value of the Shares that would otherwise be offered for issue; and
- (c) the cost of complying with the laws, and any requirements of any regulatory authority, of the place where the Shares would otherwise be offered for issue.

According to our records, you do not satisfy the eligibility criteria for an Eligible Retail Shareholder stated above. Accordingly, in compliance with ASX Listing Rule 7.7.1(b), Decmil wishes to advise you that it will not be extending the Retail Entitlement Offer to you and you will not be able to subscribe for New Shares under the Retail Entitlement Offer. You will not be sent the documents relating to the Retail Entitlement Offer or be able to subscribe for New Shares under the Retail Entitlement Offer.

Notwithstanding the above, Decmil and GMP Securities Australia Pty Ltd may agree to extend the Retail Entitlement Offer to certain institutional shareholders who did not participate in the Institutional Entitlement Offer or to other retail shareholders, subject to compliance with applicable laws.

As the Retail Entitlement Offer is non-renounceable, you will not receive any payment or value for entitlements in respect of any New Shares that would have been offered to you if you were eligible to participate in the Retail Entitlement Offer.

If you have any questions in relation to any of the above matters please contact Computershare Investor Services Pty Ltd on 1300 557 010 (within Australia) or +61 3 9415 4325 (outside Australia) during the Retail Entitlement Offer period.

For other questions, you should consult your broker, solicitor, accountant, financial adviser

or other professional adviser.

On behalf of the Board and Management of Decmil, we regret that you are not eligible to participate in the Retail Entitlement Offer and thank you for your continued support.

Yours sincerely,



Scott Criddle

Managing Director