E&A LIMITED

Building Shareholder Wealth

Investor Presentation
April 2014

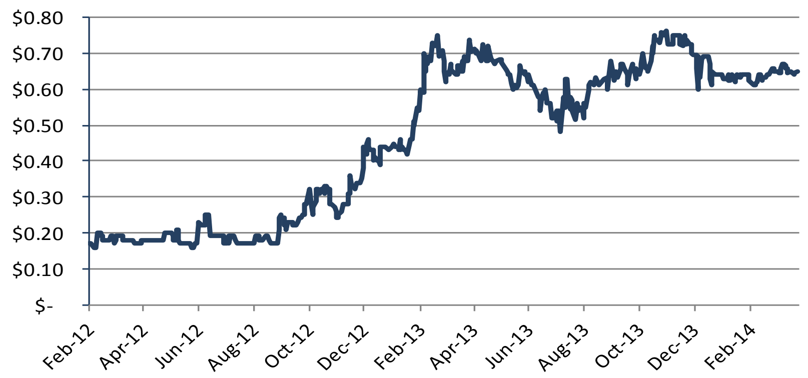
Overview

- **We operate businesses providing specialist services to the following industries:**
  - Oil & Gas
  - Infrastructure
  - Mining
  - Power and Water
  - Defence
  - Renewable Energy
- **E&A services include:**
  - Heavy engineering / piping and fabrication
  - Water management (piping and geomembrane lining)
  - Remote area electrical projects
  - Shut-down maintenance and repairs
- **E&A has strong record of growth** through a combination of organic growth and acquisition

Key Data	25 March 2014
Ticker code	EAL
Shares on issue	123.2 million
Share Price	$0.64
Market Capitalisation	$78.9 million
Employees	950+

Board	Ownership (Feb 2014)
Stephen Young – Exec Chair.	44.2%
Mark Vartuli - Exec Dir.	13.3%
Michael Abbott - Non Exec Dir	2.2%
Michael Terlet - Non Exec Dir	0.6%
David Klingberg - Non Exec Dir	0.2%

Share price chart



Key Features

Well exposed to Gas and CSG growth

- **50%+ of FY14 revenue from oil, gas and CSG**
- Multiple points of exposure along value chain
- Key supplier of process infrastructure and water solutions for CSG
- Footprint across Cooper Basin, Queensland, and won first NSW contract in September 2013

Specialist engineering services with broad exposure

- **Large recurring base of shut-down maintenance and specialist repair work**
- Specialist pipe spooling, fabrication and engineering services to resources, water and energy sectors
- Heavy engineering workshops with specialist fabrication equipment and skills

Proven value-add business model

- **Systematic integration and improvement has lifted $75m of acquired revenue to $200m**
- Record of value adding acquisition and development of businesses
- Strict and disciplined acquisition and funding metrics (<5x EBIT)

Key Features (cont.)

Disciplined business model and skill-set

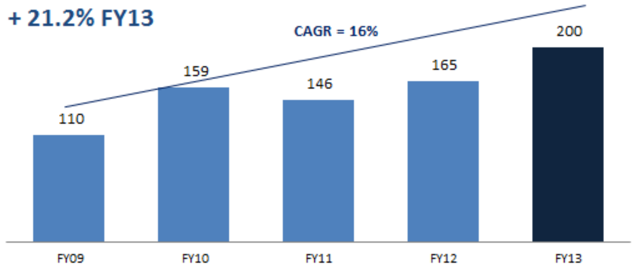
- The commercial acumen and experience of our management team;
- Disciplined E&A Way approach to managing our businesses;
- Tight alignment with shareholder interests;
- Focus on results and business fundamentals of safety, quality on-time delivery and cashflow;
- Geographical and Industry spread;
- Growing Industries: oil & gas, defence, water, infrastructure and energy; and
- Successful acquisition and integration model enabling organic growth.

Earnings and dividend record

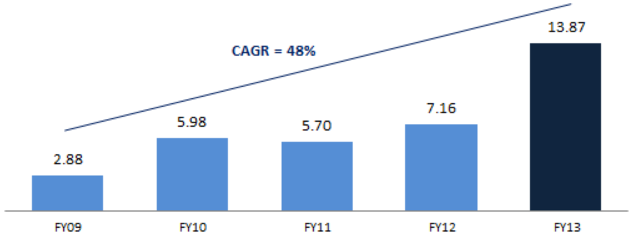
- Record of organic and acquisition earnings growth; and
- Dividend distribution growth.

5 Year Historical Performance

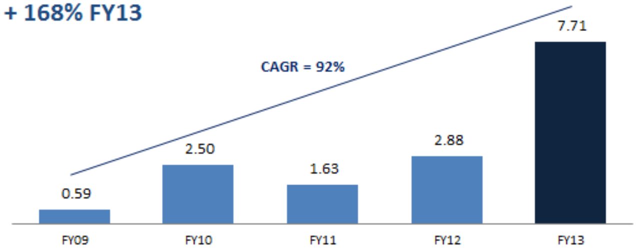
Sales Revenue ($M)
+ 21.2% FY13



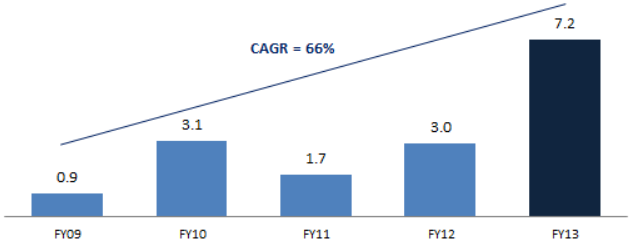
EBIT ($M)
+ 93.7% FY13



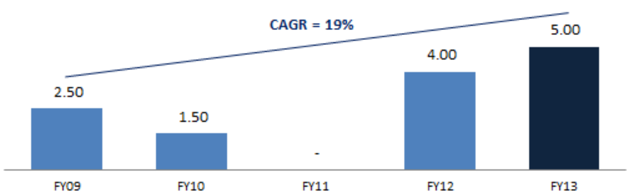
NPAT ($M)
+ 168% FY13



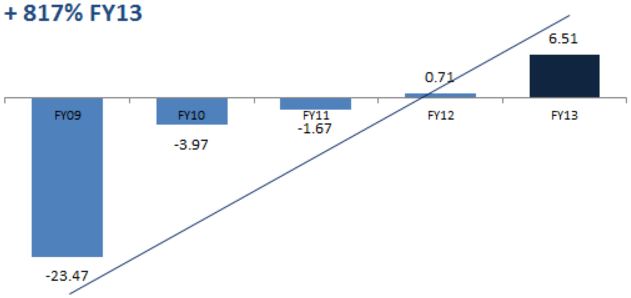
Earnings per Share (Cents)
+ 140% FY13



Dividends per Share (Cents)
+ 25% FY13



Net Tangible Assets per Share (Cents)
+ 817% FY13

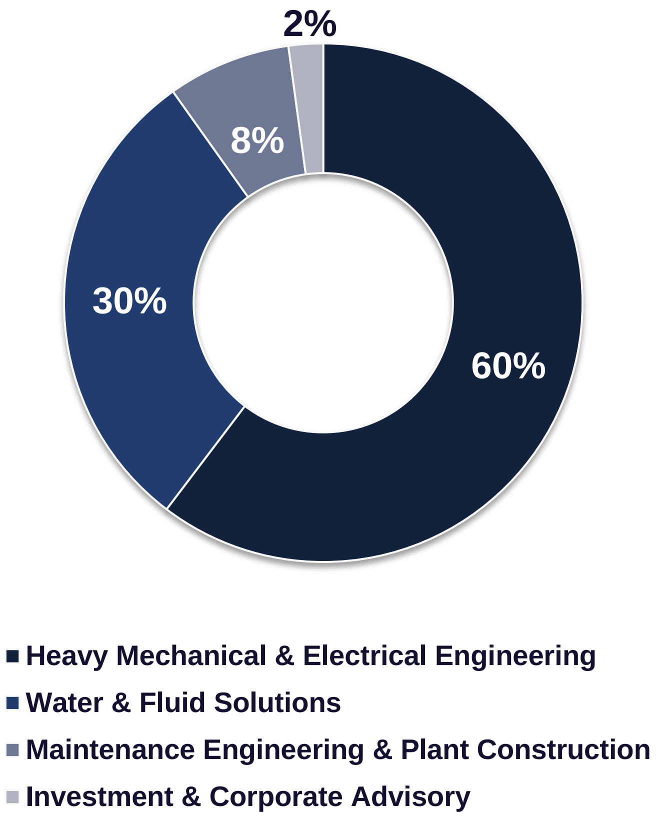


Structure

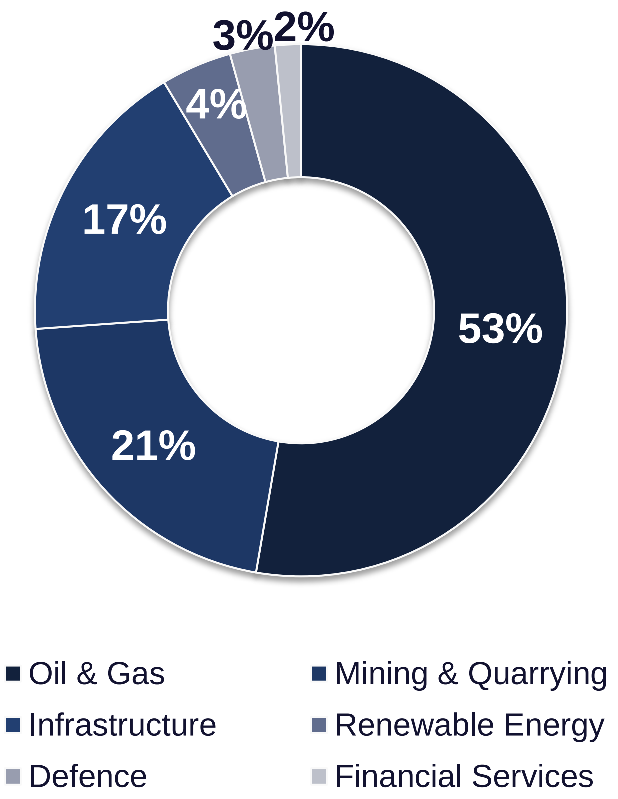
- **E & A Limited**
  Exec. Chair. Stephen Young
  Exec. Dir. Mark Vartuli
  - Heavy Mechanical & Electrical Engineering
  - Water & Fluid Solutions
  - Maintenance Engineering & Plant Construction
  - Investment & Corporate Advisory

Revenue by Activity and Client Sector

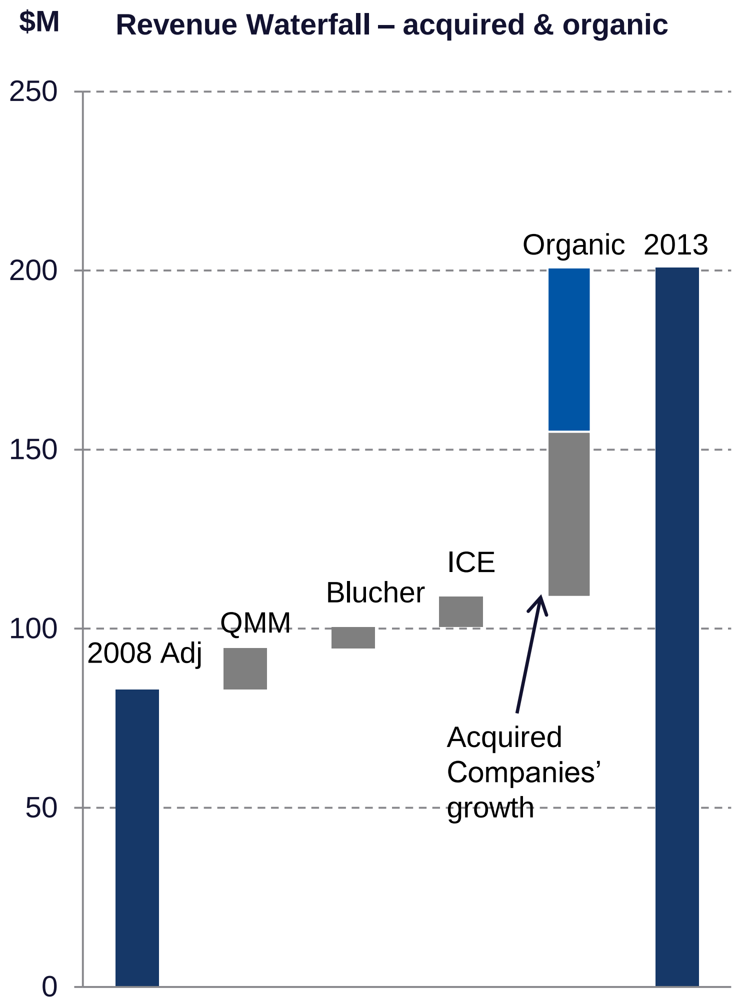
HY'14 Segment Revenue



HY'14 Industry Revenue



Successful Acquisition Record



EAL management team have a proven track record in integrating acquisitions and delivering growth from those acquired companies:

- **Acquired Business Revenue: $75M**
- **Organic Revenue Growth: $125M**

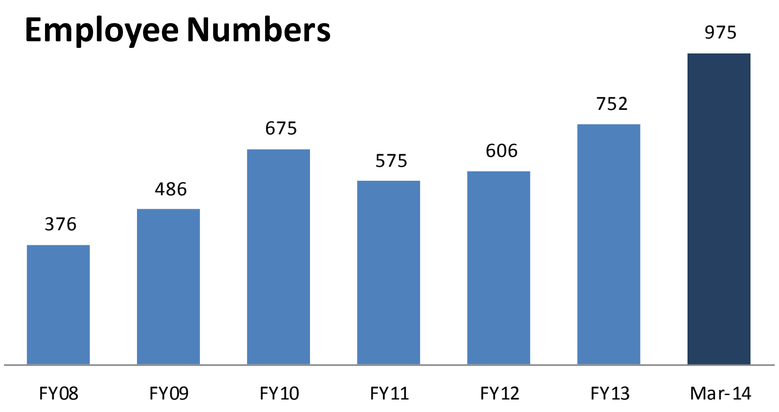
Acquisition Philosophy and Discipline

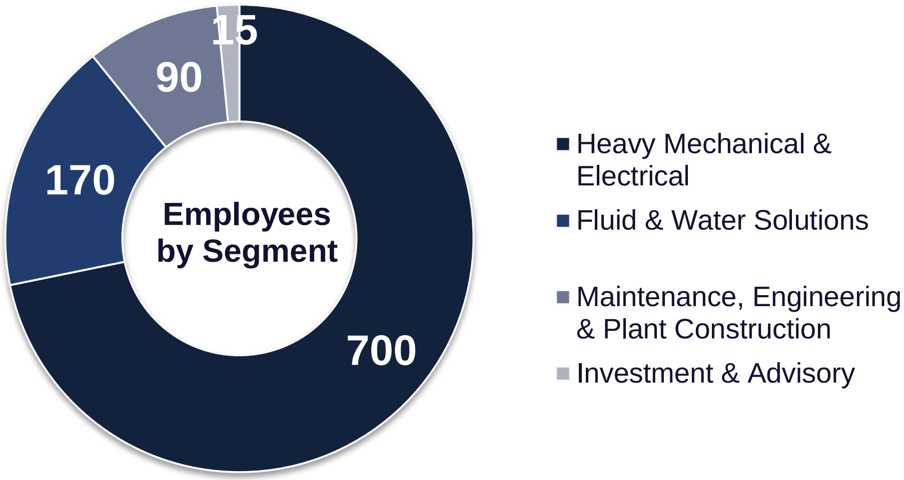
E&A's stated acquisition investment philosophy includes a number of characteristics that are desirable for targeted acquisitions, including the following investment criteria:

- Value can be added through E&A Way Management Framework;
- Value can be added as a result of synergies between the business and existing portfolio of E&A's businesses ("Partnering to Create Value");
- Strong position and/or niche player in a market expected to experience significant growth;
- **Available for acquisition at or below intrinsic value;**
- Board control and managerial influence can be obtained;
- Within E&A's areas of expertise and experience;
- Predictable cash flows;
- Risk can be managed and minimised through appropriate financial, legal, tax and accounting structures; and
- Deliver Return on Assets employed of >20%.

Safety & Our People

People Performance





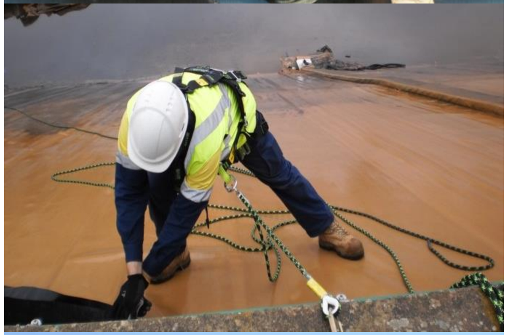
- Successful recruitment campaign increasing workforce by 30% since June 2013 to meet increased work demand.
- Entered into the WorkCover Retro Paid-Loss Scheme effective from 1 July 2013 which based on historical and year-to-date performance is expected to deliver savings.
- Applied for Workers' Compensation Self-Insurance which is expected to deliver further savings with targeted admission date of 1 July 2014.

Safety & Our People

Outstanding Safety Performance

A number of E&A Limited's subsidiaries achieved significant safety milestones as at March 2014:

- **ICE: 2,788 days LTI free, over 1,324,511 hours worked on site without a LTI.**
- **Fabtech: LTI free for 1,693 days, which is in excess of 1,288,377 hours in the workshop and on site without a LTI.**
- **QMM: 1,523 days without a LTI and has worked more than 334,723 hours in the workshop and on site without a LTI.**
- **Ottoway: 1,303 days LTI free, over 1,540,000 hours in the workshop and on site without a LTI.**
- **E&A Contractors: 1,231 days LTI free, over 937,468 hours in the workshop and on site without a LTI.**
- **Heavymech: 442 days without a LTI and has worked more than 69,333 hours in the workshop and on site without a LTI.**



HY'14 Earnings Performance

E&A Contractors – Siemens Wind Towers

HY'14 Financial Results

Profit and loss

- Met guidance for record half year result;
- Revenue continued to grow by 19.8% year-on-year in a competitive market;
- Record first half EBIT of $7.6 million, up 7%; and
- Record first half NPAT of $4.4 million, up 7.3%.

Cash flow

- Cashflow reflects growth in the business and increased working capital requirements;
- Contract invoicing arrangements prevalent in the CSG sector where fabricated product is only being paid for 30 days after delivery to site; and
- 2014 second half cash flow anticipated to improve as work in progress is delivered.

Balance sheet

- Strengthened balance sheet, with improvement in gearing driven in part by earnings and capital raising;
- Net Debt increased due to $6.6 million incurred on Capital Expenditure; and
- Strong debt serviceability maintained.

Segment Contributions (in $ millions)	HY'14	HY'13		Change
Revenue	116.3	97.1		19.8%
EBIT	7.6	7.1		7.0%
EBIT margin (%)	6.5%	7.3%		(11.0%)
Net profit after tax	4.4	4.1		7.3%
Earnings per share (cps)	3.75	3.93		(4.6%)
Operating cash flow	1.8	4.7		(61.7%)
Net Debt	37.1	35.2		(5.4%)
Gearing	52.8%	57.0%		(7.4%)
Interest cover (times)	5.0	5.0		-

HY’14 Segment Earnings

2014 First Half Segment Contributions (in $millions)	Revenue HY14	Revenue HY13	EBIT HY14	EBIT HY13
Heavy Mechanical & Electrical Engineering	**75.4**	66.3	**1.7**	4.6
Water & Fluid Solutions	**37.3**	23.9	**5.0**	1.9
Maintenance Engineering & Plant Construction	**9.6**	8.7	**0.3**	0.4
Investment & Corporate Advisory	**2.7**	4.0	**0.5**	0.2
Total *(before intercompany eliminations)*	**125.0**	**102.8**	**7.6**	**7.1**

- Heavy Mechanical & Electrical Engineering: weathered short-term costs of upskilling of capabilities with inaugural wind tower contract and ICE’s transition to the Oil & Gas sector.
- Water & Fluid Solutions: strong growth from CSG demand.
- Maintenance Engineering & Plant Construction: reflects market conditions and performance.
- Investment & Corporate Advisory: Increased demand and activity for Equity & Advisory services.

HY’14 Segment Earnings

Heavy Mechanical & Electrical Engineering (in $millions)	HY14	HY13	Change (%)
Segment Revenue	**75.4**	66.3	**14%**
EBIT	**1.7**	4.6	**(62%)**

Heavy Mechanical & Electrical Engineering

- Comprises Ottoway, ICE Engineering and E&A Contractors
- Ottoway increased revenue and earnings in the oil & gas and infrastructure sector winning new work including Queensland based projects with Enerflex, Fluor, MacDow, QGC, Thiess and Transfield
- E&A Contractors completed wind towers to specification for Siemens achieving target efficiency and earnings by final unit with ramping-up costs taken to account in HY’14.
- Satisfied Siemens’ supplier accreditation and acquired capability for efficient commercial performance of future contracts
- Currently tendering for wind tower contracts. RET review causing deferral of projects
- ICE completed transition to the Oil & Gas sector and is now conducting projects in Queensland, Northern Territory and South Australia

HY'14 Segment Earnings

Water & Fluid Solutions (in $millions)	HY14	HY13	Change (%)
Segment Revenue	**37.3**	23.9	**56%**
EBIT	**5.0**	1.9	**159%**

Water & Fluid Solutions

- Comprises of Fabtech and Blucher
- Strong performance off the back of Queensland's CSG sector
- Fabtech: completed three large CSG contracts in Queensland
- Blucher: growing off CSG demand
- Good ongoing demand from CSG

HY’14 Segment Earnings

Maintenance Engineering & Plant Construction (in $millions)	HY14	HY13	Change (%)
Segment Revenue	**9.6**	8.7	**11%**
EBIT	**0.3**	0.4	**(18%)**

Maintenance Engineering & Plant Construction

- Comprises of QMM and Heavymech
- Revenue up on plant construction work
- Softer market conditions for repair & breakdown work impacted margins
- Difficult cost environment on plant construction work
- Base load repair & maintenance work on hand from drilling rig and foundry customers
- Improved second half outlook dependent on Middleback Ranges expansion projects

HY’14 Segment Earnings

Investment & Corporate Advisory (in $millions)	HY14	HY13	Change (%)
Segment Revenue	**2.7**	4.0*	**(33%)**
EBIT	**0.5**	0.2	**174%**

*** Includes $1.3 million of additional internal revenue**

Investment & Corporate Advisory

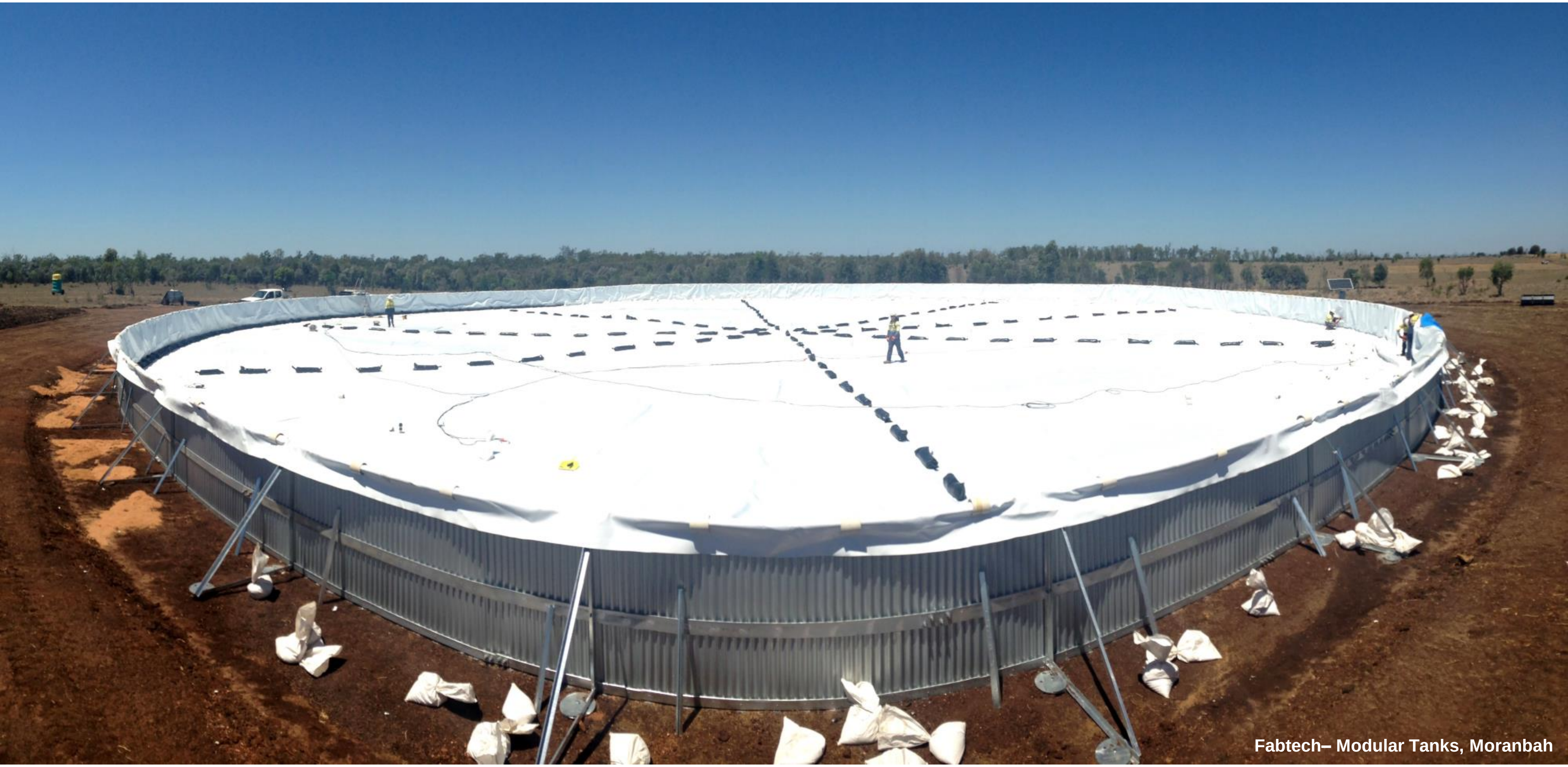
- Comprises of Equity & Advisory and includes the listing and corporate costs of the parent entity, E&A Limited
- Earnings uplift driven by Equity & Advisory’s activity levels & performance
- Mergers, acquisitions and divestment activity continues to grow along with external client demand for Equity & Advisory’s corporate advisory services
- Workload and demand continues in the current calendar year

Windtower Fabrication

Completed inaugural 20 tower contract for Siemens. All units delivered to customer specification and quality.

- Secured accreditation from Senvion (formerly RePower) and completed footplate contracts for Senvion;
- Tendering for substantial projects that are RET-independent;
  - Capital (45 towers), Crookwell 2 & 3 (72 towers) & Collector (56 towers);
- Tendering Senvion Ceres project (RET relevant), South Australia;
- Shortlisted for small run contracts in current year;
- Continuing to perform general fabrication work for mining and oil and gas industry; and
- RET review anticipated by September, expect commitment to a RET

2014 Second Half Outlook



EAL Exposure to Gas & CSG

Pipework & electrical

- Outlook for FY’14 Oil & Gas revenue: $70M
- Qld CSG / Cooper Basin
- Services:
  - Pipe design and spooling
  - Electrical and instrument installation

Water management

- Outlook for FY’14 Oil & Gas revenue: $40M
- Qld CSG
- Services:
  - Design, manufacture and install of geo-membrane liners
  - Stainless steel Drainage and pressure pipe systems

Specialist engineering

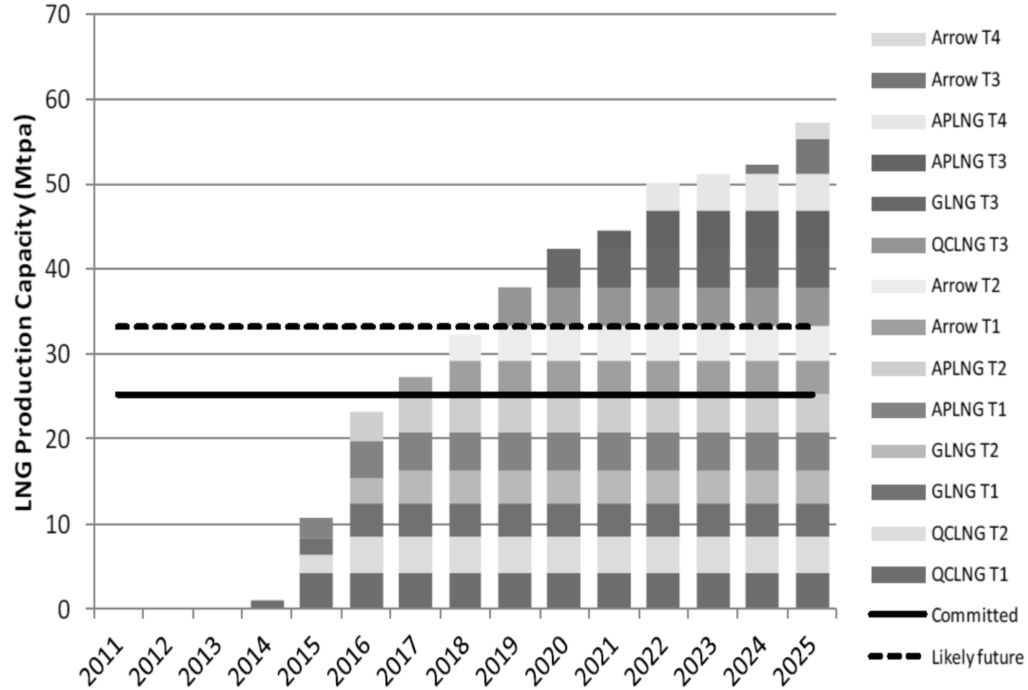
- Outlook for FY’14 Oil & Gas revenue: $6M
- Cooper Basin
- Services:
  - Breakdown and repair services, including maintenance of drill rig equipment
  - Milling, boring, grinding, turning

Oil & Gas/CSG/LNG markets

Oil & gas, CSG/LNG markets will supply greater than 50% of EAL's FY14 revenues.

- Four of EAL's companies supply into these markets
- Most of EAL's opportunity in this market is in the Queensland CSG/LNG projects and Cooper Basin
- Queensland CSG/LNG has 3 major projects underway and due for completion 2015-2017 – total capex up to $90BN
- In CSG/LNG, EAL supply into most construction stages of the projects (gas gathering, water management, pipelines, plant construction)

Queensland CSG LNG Capacity Expansion.



Source:-ACIL Tasman Gas Demand Study March 2013

Successful Acquisition Record

Acquisition Targets

EAL is currently in discussions with acquisition targets that meet its investment criteria and have the following attributes:

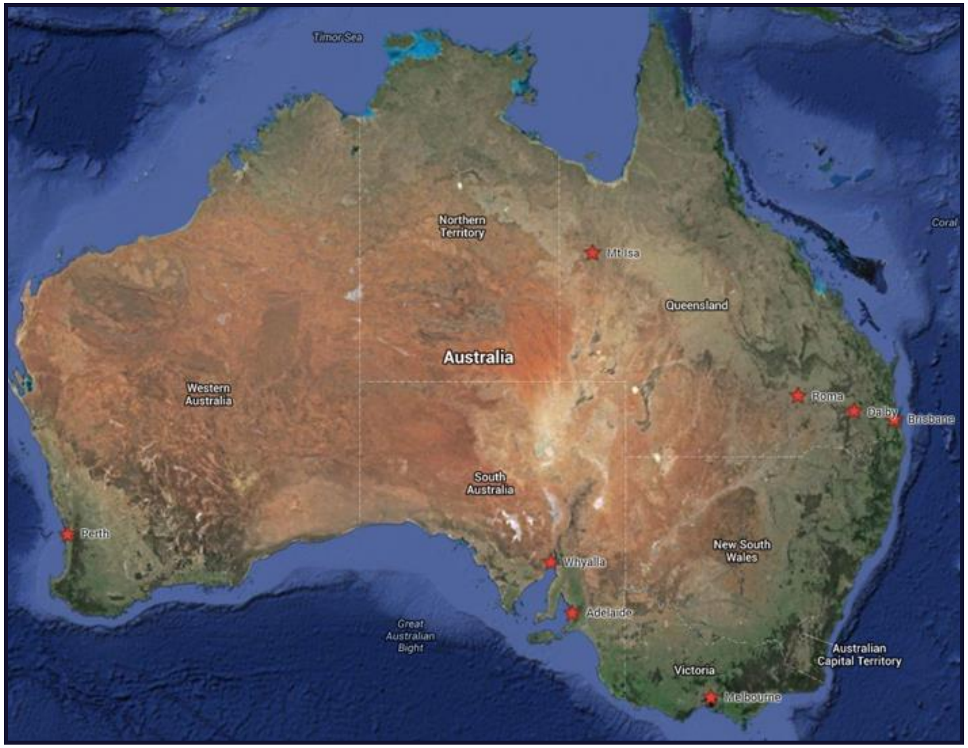
- Ideal bolt-ons for existing businesses where management have earned the right for further reinvestment into their business by E&A (either a geography and/or complementary services)
- New services, with exposure to Oil & Gas and other diversified growth markets

Operations and Maintenance opportunities

Operations and Maintenance (O&M) is the next LNG/CSG opportunity

- Industry Capability Networks estimate the O&M for the seven LNG plants under construction in Australia at $4.1 billion p.a. from 2017
- Qld LNG plants represent about half of this
- Our businesses are well positioned to capture some of these long term recurring revenue opportunities.
- Dalby (Qld) Fabrication facilities and other regional offices provide a good footprint

EAL facility locations



2014 Second Half Outlook

- EAL subsidiaries commenced the second half with order books ahead of prior comparative period and support expectation of a record second half revenue. During January, February and March 2014, we have added a further 100 employees.
- FY14 second half revenue & earnings expected to be better than FY13 second half and comparable with the first half.
- Significant margin pressure as the process of disintermediation and cost reduction for all mining construction projects accelerates.
- Tendering activity in the Oil & Gas sector remains high and EAL subsidiaries expect to continue to win work in the coming six months.
- EAL Senior Management remain focussed on managing execution risk and improving productivity for the benefit of both our clients and EAL subsidiaries.
- Cost pressure on large capital projects with disintermediation at work. EAL subsidiaries looking to leverage off grass roots supplier status in disintermediated supply chain.
- Assessing opportunities for acquisitive growth in related sectors, customers and regions.
- EAL expects FY14 full year NPAT to exceed its record FY13 NPAT.

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