

ASX / MEDIA ANNOUNCEMENT
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DECMIL GROUP LIMITED COMPLETES ACQUISITION OF EASTCOAST DEVELOPMENT ENGINEERING PTY LTD

Key points:

- **Specialist engineering business now part of Decmil Group**
- **Expands Decmil Group's service offering within oil & gas industry**
- **Further expands the Group's presence in Queensland**
- **Significant and visible growth in coal seam gas**

Leading design, civil engineering and construction company Decmil Group Limited (ASX: DCG) has today completed the acquisition of specialist engineering business Eastcoast Development Engineering Pty Ltd (**EDE**).

Brisbane-based EDE services the energy, infrastructure and resource industries throughout Australia and in Pacific island nations. The company specialises in the fabrication and installation of high pressure pipes, vessels and tanks which are used for a range of applications in the oil and gas, mining and minerals, heavy industrial, water and power generation industries.

EDE has experienced significant growth in servicing the flourishing coal seam gas industry in Queensland. With current annual turnover in excess of \$85 million, EDE is on track to achieve significant revenue growth.

In acquiring 100% of the shares in EDE, DGL will make an upfront payment of \$19.275 million, with a further payment of up to \$10 million in 12 months' time based on the achievement of earnings and asset-based targets. Based on the maximum price payable the EBITDA multiple on acquisition is approximately 2.3 x FY13 EBITDA.

As the acquisition is being funded from within DGL's existing financial capacity, it will be EPS accretive immediately and will provide a modest contribution to FY13 earnings. In line with DGL's strategy of double digit EPS growth, EDE will provide a material contribution to the group's EPS in FY14.

Decmil CEO Scott Criddle said: "An important part of our growth strategy has been to diversify our revenue base and earnings, by industry and geographically.

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“EDE is an excellent fit for Decmil not only in terms of our strategy but also through the culture of its management team and their commitment to growth.

“EDE’s management team are a credit to the company and they, like DGL, are excited by the opportunities that DGL can assist EDE with in pursuing its growth. EDE and its management team have a very positive reputation with their customers and in the markets they serve. We are therefore delighted to welcome the EDE team to the Decmil Group and look forward to the continued growth and success of the business,” Mr Criddle said.

About Decmil Group Limited

Decmil Group Limited (DGL) is a leading design, civil engineering and construction company, focussed on delivering integrated solutions to blue-chip clients in Australia’s oil and gas, resources and infrastructure sectors. Listed on the Australian Securities Exchange (ASX Code: DCG), DGL’s goal is to maximise returns from our operations to deliver value to our shareholders, clients and other stakeholders. In April 2012 the Company was admitted to the S&P/ASX 200 Index.

About Eastcoast Development Engineering

Eastcoast Development Engineering is a Brisbane based engineering, construction and maintenance company serving industry throughout Australia and the Pacific islands. EDE was established in 2000 to respond to the closure of a number of major fabrication workshops in the Brisbane area. EDE proudly offers its clients a team of high-pressure piping, vessel and tank experts with many years of experience that can service the needs of various industries operating in high-pressure environments.

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