

**ANNOUNCEMENT IN RELATION TO THE:**

- (I) THE PROPOSED EXPANSION OF BUSINESS;**
- (II) THE PROPOSED PLACEMENT OF SHARES; AND**
- (III) THE PROPOSED GRANT OF OPTIONS TO EZION HOLDINGS LIMITED, LARRY GLENN JOHNSON AND ENG CHIAW KOON**

**– RECEIPT OF APPROVAL IN-PRINCIPLE FROM THE SGX-ST**

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**1. INTRODUCTION**

The Board of Directors (the “**Board**”) of AusGroup Limited (the “**Company**”) refers to its previous announcement dated 9 May 2014 in relation to the Proposed Expansion, the proposed Placement and the proposed Grant of Options (the “**Previous Announcement**”).

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meaning as ascribed to them in the Previous Announcement.

**2. RECEIPT OF APPROVAL IN-PRINCIPLE**

Further to the Previous Announcement, the Board wishes to announce that the Company has on 29 May 2014 received the approval in-principle from the SGX-ST for the listing and quotation of up to 70,000,000 Placement Shares and up to 145,000,000 Option Shares on the Mainboard of the SGX-ST (the “**AIP**”).

The AIP received from the SGX-ST is subject to the following:

- (a) compliance with the SGX-ST’s listing requirements;
- (b) Shareholders’ approval for the proposed Placement and proposed Grant of Options;
- (c) a written undertaking from the Company that it will comply with Rules 704(30) and 1207(20) of the Listing Manual in relation to the use of the proceeds from the proposed Placement and the proposed Grant of Options and where the proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company’s announcements on use of proceeds and in the annual report;
- (d) a written undertaking from the Company that it will comply with Rule 803 of the Listing Manual;
- (e) a written undertaking from the Placement Agent that it will ensure that the Company will comply with Rule 803 of the Listing Manual;
- (f) a written confirmation from the Company that it will not issue the Placement Shares and Grant of Options to any persons prohibited under Rule 812(1) of the Listing Manual;
- (g) a written confirmation from the Placement Agent that the Placement Shares will not be placed out to persons under Rule 812(1) of the Listing Manual; and

- (h) a written confirmation from the Option Subscribers that the Options will not be transferred to any persons prohibited under Listing Rule 812(1) of the Listing Manual and/or result in a transfer of a controlling interest in the Company.

Please note that the SGX-ST's AIP is not to be taken as an indication of the merits of the proposed Placement, the Placement Shares, the proposed Grant of Options, the Option Shares, the Company and/or its subsidiaries.

BY ORDER OF THE BOARD

Stuart Maxwell Kenny  
CEO and Managing Director

30 May 2014