

**AUSGROUP LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 200413014R)

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**ANNOUNCEMENT IN RELATION TO:**

- (I) EZION'S ACQUISITION OF A SUBSTANTIAL SHAREHOLDING IN THE COMPANY;**
  - (II) THE PROPOSED EXPLORATION OF OPPORTUNITIES FOR COLLABORATION BETWEEN THE COMPANY AND EZION; AND**
  - (III) THE NOMINATION OF NEW DIRECTORS TO THE BOARD.**
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**1. INTRODUCTION**

The Board of Directors (the "**Board**") of AusGroup Limited (the "**Company**") (together with its subsidiaries, the "**Group**") wishes to announce the following:

- (a) the acquisition of a substantial shareholding in the Company by Ezion Holdings Limited ("**Ezion**");
- (b) the proposed exploration of opportunities for collaboration between the Company and Ezion (the "**Proposed Collaboration**"); and
- (c) the nomination of new directors to the Board.

**2. SUBSTANTIAL SHAREHOLDING IN THE COMPANY**

The Board would like to welcome Ezion as a substantial shareholder of the Company. On 3 April 2014, Ezion acquired 39,900,000 ordinary shares in the capital of the Company ("**Shares**") pursuant to an off-market transaction, which represents approximately 6.9% of the Shares of the Company. Accordingly, Ezion is now a substantial shareholder of the Company.

Please refer to the earlier announcement of the Company dated 8 April 2014 in relation to the disclosure of interests of substantial shareholders as required under the Securities and Futures Act (Cap. 289) of Singapore for further information.

**3. PROPOSED COLLABORATION**

The Company has entered into a memorandum of understanding on 9 April 2014 ("**MOU**") with Ezion, pursuant to which the Company and Ezion (the "**Parties**") intend to explore and pursue opportunities for collaboration in the following areas (the "**Proposed Collaboration**"):

- (a) utilizing the capacity of Port Melville to augment Darwin Port (the "**Region**") with increased regional capacity for the oil and gas and resources industries;
- (b) the provision of logistics supply chain and related support services in the Region, including but not limited to the oil and gas and resources industries and marine industries;

- (c) the development of tank farm and engineering services;
- (d) the development of oil and gas infrastructure development, including but not limited to village accommodation in the Region;
- (e) training and development of indigenous workforce in the Region;
- (f) project management and technical services support in the Region;
- (g) the joint marketing of a combined capability to offer a broader service offering to improve end to end services and logistics in the oil and gas and resources industries; and
- (h) any other collaboration as agreed between the Parties.

The MOU sets forth the intentions of the Parties for increased collaboration, cooperation and interaction and does not create any legally binding commitments. The Parties will subsequently enter into separate agreements in the event they agree to undertake specific joint projects with legally binding obligations.

Ezion is a company incorporated in Singapore and listed on the Mainboard of the SGX-ST. It has two (2) main business divisions that specialise in the development, ownership and chartering of strategic offshore assets and the provision of offshore marine logistics and support services to the offshore oil and gas industries, including in Australia.

As the Group and Ezion currently serve different segments of the supply chain to the oil and gas industries, the Company believes that there are synergies to be created from the Proposed Collaboration, which would enable the Company to value add and offer a larger range of services to its customers.

#### **4. NOMINATION OF NEW DIRECTORS**

The Board wishes to announce its intention to appoint new directors, as follows:

- (a) 2 directors nominated by Ezion; one shortly to help guide the Board as we plan our collaboration and one subsequently after formalisation of further collaboration; and
  - (b) a proposed independent director,
- (collectively, the “**Proposed Directors**”).

In considering such proposed appointments, the Board will review the background, qualifications and experience of the Proposed Directors. The Company will release further announcements in the event of such or any additional appointments to, and/or a re-constitution of the Board.

#### **5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the directors or controlling shareholders of the Company has any interests, direct or indirect, in the above-mentioned transactions, other than through their respective shareholding interests in the Company.

## **6. CAUTION IN TRADING**

Shareholders are advised to exercise caution in trading their shares of the Company as the MOU is non-binding and there is no certainty or assurance as at the date of this announcement that any specific collaboration will be undertaken. The Company will make the necessary announcements in accordance with the requirements of the listing manual of the SGX-ST. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD  
Stuart Maxwell Kenny  
CEO and Managing Director

9 April 2014