

**PROPOSED ACQUISITION OF SHARES IN KEBUN SEDENAK SDN BHD AND TROPIK SENTOSA SDN BHD**

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**1. INTRODUCTION**

The Board of Directors (the “**Directors**” or the “**Board**”) of AusGroup Limited (the “**Company**”) refers to the Company’s announcement dated 7 May 2013 (the “**SPA Announcement**”) in relation to, *inter alia*, the Proposed Acquisition of shares in Kebun Sedenak Sdn Bhd and Tropik Sentosa Sdn Bhd. Unless otherwise defined, capitalized terms used in this Announcement shall bear the same meanings ascribed to them in the SPA Announcement.

**2. ONGOING NEGOTIATIONS FOR EXTENSION OF THE LONG-STOP DATE**

Under the SPA, if any of the conditions precedent set out in the SPA is not fulfilled or waived in accordance with the terms of the SPA, the date on which the SPA will lapse and all obligations and liabilities of the parties thereunder shall cease was 6 February 2014 (the “**Long-Stop Date**”) or such other date as the parties may mutually agree in writing.

As at the date of this Announcement, not all the conditions precedent in the SPA have been fulfilled or waived in accordance with the terms of the SPA and the Company and the Vendors are currently consulting in good faith with a view to extending the Long-Stop Date to allow parties more time to satisfy the conditions precedent and to complete the Proposed Acquisition, and to also amend such other terms in the SPA that are affected by the extended Long-Stop Date.

**3. RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm, after making all reasonable enquiries that, to the best of their knowledge and belief, the facts stated and opinions expressed by the Company in this Announcement are fair and accurate in all material respects as at the date hereof, and that there are no material facts the omission of which would make this Announcement misleading in any material respect.

**Shareholders are advised to exercise caution in trading their Shares. Completion of the Proposed Acquisition is subject to numerous Conditions including due diligence. There is no certainty or assurance as at the date of this Announcement that the Proposed Acquisition will be completed, that the Remaining Shares Acquisition will be entered into and completed and/or that no changes will be made to the terms thereof. The Company will make the necessary announcements as and when there are further developments on the Proposed Acquisition. Shareholders are advised to read this Announcement and any further announcements by the Company carefully. Shareholders should consult their legal, financial, tax 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

6 February 2014