

REPLY TO QUERY REGARDING TRADING ACTIVITY

The Board of Directors (the “**Board**”) of AusGroup Limited (the “**Company**”) would like to respond to the queries from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) dated 3 April 2014, regarding the unusual price movements in the shares of the Company. The Company sets out below its responses to the queries.

Question 1: Are you (the issuer) aware of any information not previously announced concerning you, your subsidiaries or associated companies which, if known, might explain the trading? Such information may include events that are potentially material and price-sensitive, such as discussions and negotiations that may lead to joint ventures, mergers, acquisitions or purchase or sale of a significant asset. You may refer to paragraph 8 in Appendix 7.1 of the Mainboard Rules for further examples.

- If yes, the information shall be announced immediately.

Response

The Company has received a letter from a party (the “**Party**”) informing the Company that such Party has acquired a substantial shareholding of approximately 6.9% in the Company. The Company is in the process of verifying such information.

Such Party has also proposed the exploration of strategic collaboration opportunities with the Company, as well as other ways to optimise the likelihood of success of such collaboration. The Company is currently considering such proposals and, where appropriate, intends to engage such Party in discussions, and will provide further updates in due course.

Save for the above, the Company is not aware of any information not previously announced concerning the Company, its subsidiaries or associated companies, which, if known, might explain the trading.

Question 2: Are you aware of any other possible explanation for the trading? Such information may include public circulation of information by rumours or reports.

Response

Save for the above, the Company is not aware of any other possible explanation for the trading.

Question 3: Can you confirm your compliance with the listing rules and, in particular, Mainboard Rule 703?

Response

The Company confirms it is in compliance with the listing rules of the SGX-ST and, in particular, Mainboard Rule 703.

The Board collectively and individually takes responsibility for the accuracy of the aforesaid replies to the queries raised by the SGX-ST.

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

4 April 2014