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## **E&A Limited Reaches Agreement to Acquire ICE Engineering & Construction Pty Ltd**

E&A Limited is pleased to advise it has reached agreement to acquire all of the issued capital in ICE Engineering & Construction Pty Ltd (ICE).

ICE turnover for the year ended 30 June 2009 was \$10.6 million. ICE employs 35 persons and offers more than 50 years of combined management experience in providing services and contract labour to the electrical and instrumentation sector of the water, mining and exploration industries. The business was established in 2001 and is based in Whyalla.

The acquisition will be financed through a combination of debt, deferred earn-out and the issue of ordinary shares. Settlement is anticipated in late August 2009 and E&A Limited will obtain the benefit of trading from 1 May 2009.

The initial purchase price of \$5.6 million will be funded as follows:

- \$4.6 million cash; and
- \$1.0 million through the issue of shares in E&A Limited based on the 30 day volume weighted average price immediately prior to this announcement.

A further \$1.8 million in deferred consideration is payable conditional on the business achieving certain agreed earnings targets over the next three years.

The ICE acquisition provides an excellent opportunity for E&A Limited to acquire a profitable, well established business in the Iron Triangle that will complete E&A Limited's subsidiaries capacity to offer integrated engineering, fabrication and electrical services.

The range of electrical engineering and project management services provided by ICE are complimentary to the other E&A Limited Group businesses, and accordingly, E&A Limited will seek to promote cross sell opportunities within the E&A Limited Group, focusing on increasing sales and profitability of both ICE and the other E&A Limited Group businesses.

STEPHEN YOUNG  
EXECUTIVE CHAIRMAN

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