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INVESTOR PRESENTATION - GLADSTONE ACCOMMODATION VILLAGE

Please find attached a copy of slides for a presentation which will be delivered today to institutional investors at a site visit of the Gladstone Accommodation Village.

Yours faithfully



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Decmil Group Limited



Securities
Griffiths McBurney

Investor Presentation

GLADSTONE ACCOMMODATION VILLAGE SITE TOUR

January 2012

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MDJV Gladstone Accommodation Village

Decmil Australia Queensland Operations

Gladstone – Regional Accommodation Requirements

Industrial heart of Queensland undergoing a massive infrastructure and resource project expansion

Major engineering projects currently under construction in the Gladstone region represent a total financial investment of circa \$55 billion.

Additional projects valued at \$30 billion are proposed for the Gladstone region

Large-scale infrastructure development to support incoming transport of resources from Bowen Basin, Surat Basin and Galilee Basin

- Demand for accommodation in the Gladstone region is high and projected to increase significantly over the next 3 – 5 year period

A selection of Gladstone regional projects currently under construction include:

Project	Owner/ Sponsor	Est. A\$ Project value
Wiggins Island Coal Terminal	WICET	\$4bn
Queensland Curtis LNG	BG/ QGC	\$15bn
Yarwun Alumina Refinery	Rio Tinto	\$2.1bn
Gladstone LNG	Santos/ Petronas/ Total/ Kogas	\$16bn
Australian Pacific LNG	Origin & ConocoPhillips	\$14bn
Gladstone Ports Western basin dredging	Gladstone Ports Corp	\$0.7bn
Wiggins Island Rail line extension	QR National	\$0.9bn
Powerlink infrastructure upgrades	Powerlink	\$0.2bn+

- Currently two other Gladstone village proposals with council for development approval

- 1,000 man village near airport
- 300 man village – MAC Services



Source: Qld Dept of Mines and Energy, September 2011

Labour supply remains tight and high-quality accommodation is key to staff attraction and retention

MDJV Overview

Calliope Village, Gladstone

JV Structure

Decmil acquired 50% ownership of the Calliope Village

- Decmil own 50% of the units in the Trust and 50% of the shares of the Trustee, which owns the Calliope Village, Gladstone, to operate as MDJV
- The MDJV is an incorporated joint venture structure owned 50/50 by Decmil and Maroon Group

Assets and Operations

Calliope Village, Gladstone

- 20 hectare site, located 20 km from Gladstone
- Currently 240 rooms completed and operational under lease to WICET.
- Stage 2 construction of a further 432 rooms for WICET in progress
- Development approval for up to 2,265 rooms on site
- Decmil to project manage and undertake continued construction per the terms of a construction contract executed between MDJV and Decmil
- Maroon Group Catering to undertake day-to-day operation of the Village

Governance

Project Management

- 50/50 operation in respect to Board composition, voting, decision-making
- Decmil appointees to MDJV Board to be Scott Criddle and Brad Kelman, Decmil's Group Manager – Commercial & Risk
- Operation of MDJV documented in a Shareholder and Unitholder Agreement executed by Decmil and Maroon Group on 29 November 2011
- Agreement to work together in relation to future opportunities within 100km radius of the Village site



Rationale

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- ✓ Immediate and low-risk entry into Queensland regional construction market
- ✓ Early-mover position into Gladstone regional accommodation market
- ✓ Gladstone is the geographic centre of the infrastructure and resource related project expansion cycle underway in Queensland
- ✓ Diversification of Decmil's traditional geographic and client concentration
- ✓ Diversification of earnings stream providing a more defensive, maintainable earnings base via the take-or-pay accommodation agreements
- ✓ Strengthened margins for Decmil via JV earnings contribution
- ✓ High ROI and short payback period generating strong EPS accretion

Calliope Accommodation Village, Gladstone

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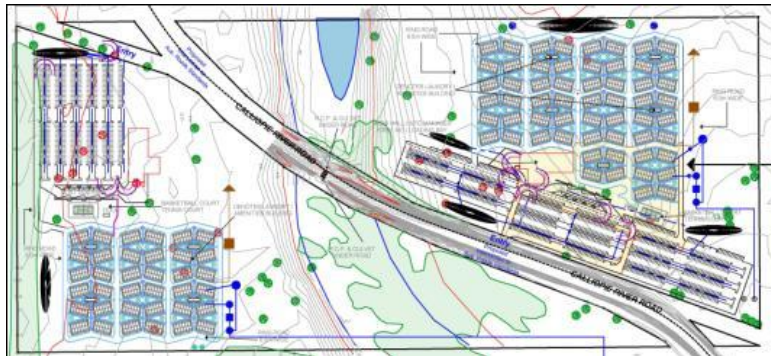


MDJV
A MAROON GROUP /
DECMIL GROUP JOINT VENTURE

Located approximately 20 minutes from Gladstone with development approval for up to 2,265 rooms

- 20 hectare site, located 20km from Gladstone with 4 star quality accommodation and facilities
- Development approval for up to 2,265 rooms on site comprising:
 - 1,392 units on the northern side of Calliope River Road, with 720 car spaces
 - 873 units are proposed for the southern side of Calliope River Road, with 440 car spaces
- Currently 240 rooms completed and operational under lease to WICET
- Stage 2 development comprising 432 rooms under construction to be completed by April 2012 all leased to WICET
- WICET has committed to lease up to 900 rooms on a take-or-pay basis with options to take up to 400 additional rooms and extend existing lease periods
- Proposed timetable for 2,265 room build-out for completion by April 2013
- Additional accommodation agreements with potential off-take parties are currently being negotiated and will underpin construction of additional stages of accommodation units

Village, Gladstone graphic aerial view *Northern precinct – Stages 1,2 and 3*



Southern precinct – Stages 4 & 5



Village, Gladstone November 2011

Calliope Accommodation Village, Gladstone

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Village build to a 4 Star Standard with facilities including -

- Site Water Treatment Plant
- Storm Water Storage
- Onsite Laundries
- Mess Hall & Wet Mess
- Community Area including BBQ's, Gym & Recreation Room
- Sealed Carparks
- Fully Landscaped Gardens

All buildings are manufactured to a Class 3 Standard with features including -

- Oversized rooms with Queen Size bed
- TV with internet
- Fridge
- Ensuite Shower & Toilet
- Air Conditioning
- Hardwire Fire Alarm, Structural, Fire & Sound Proof standards
- Store cupboard & free standing safe
- Verandas



Accommodation unit, Village, November 2011



Village, November 2011



Communal facilities, Village, November 2011

The Maroon Group

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- Established in 2004 with strategic objective to rethink accommodation service provisions to the resource industry
- Aim to raise the standard of accommodation by providing “Resort Style” living
- Innovative solutions in catering and accommodation services
- Developed leading technology systems to operate a cashless & keyless society

evolution
FACILITY MANAGEMENT



WICET – Key Cornerstone Tenant

WICET requires 1,000+ skilled labourers for the construction of a 27 Mtpa export coal facility by 2014. Subsequent construction phases will expand total export capacity to 80 Mtpa

- WICET is owned and being developed by existing and potential coal exporters to provide increased long term export capacity.
- The Terminal will be located at Golding Point, to the west of the existing RG Tanna and Barney Point Terminals.
- \$2.5 billion financing package for Stage 1 construction was announced in September 2011
- Completion of Stage 1 construction will provide up to 27 Mtpa export capacity by 2014.
- Stage 3 construction will increase capacity to 80 Mtpa by 2018.

The Australian Financial Review
www.afr.com • Friday 16 September 2011

Wiggins terminal gets finance



Wiggins Island Coal Terminal graphic aerial view
Source: www.wicet.com.au website

- The WICET consortium includes eight Stage One owners:
 - * Aquila Resources
 - * Bandanna Energy
 - * Caledon Resources
 - * Cockatoo Coal
 - * Northern Energy Corporation
 - * Wesfarmers Curragh
 - * Xstrata Coal
 - * Yancoal
- The first coal shipments through the initial Stage 1 construction of the new Terminal are planned from 2014



Wiggins Island Coal Terminal site location, September 2011
Source: www.wicet.com.au website

Calliope Accommodation Village, Gladstone

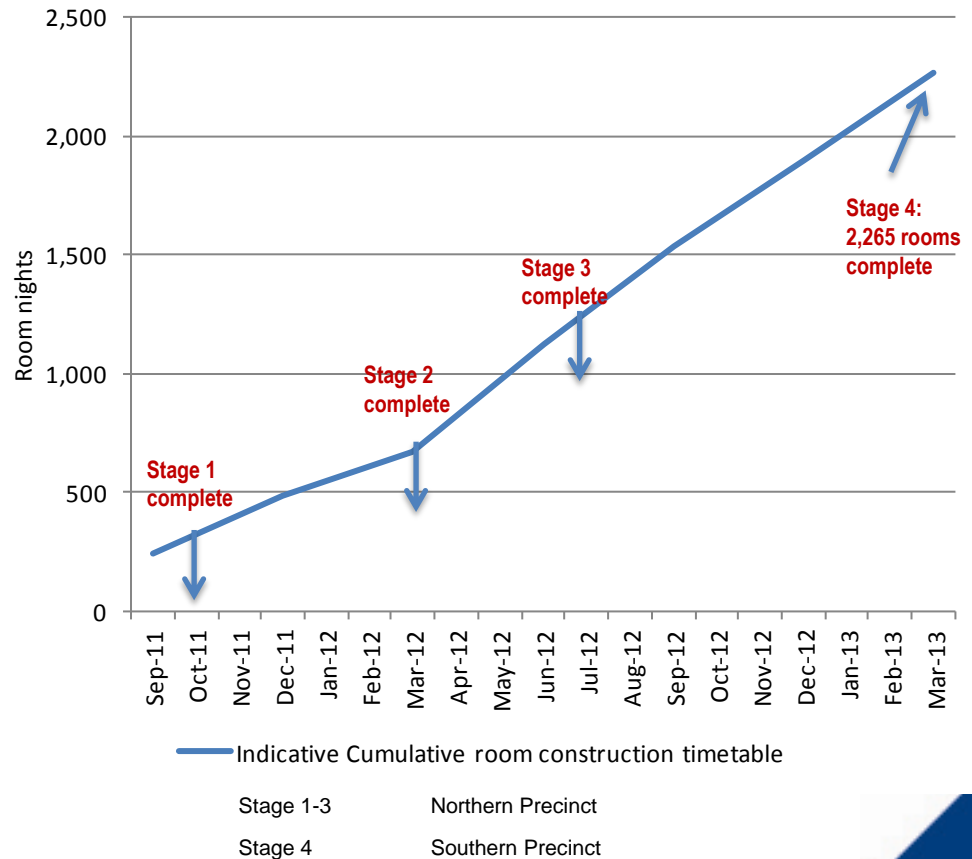
JV construction timetable targets 2,265 rooms operating by April 2013

- First mover advantage into the Gladstone region will be strengthened by the ability to complete further construction as quickly as possible

- Significant projects announced for Gladstone regional area which are expected to require accommodation facilities include:

- Gladstone Pacific Nickel processing plant
- Gladstone Area Water Pipeline project
- QR National rail line expansions
- Surat Basin Railway extension
- Boulder Steel Blast Furnace project
- Balaclava Island Coal Terminal project
- Gladstone LNG
- Australian Pacific LNG
- Queensland Curtis LNG

Indicative Cumulative Room Construction Timetable



- Targeting negotiation of Stage 3 take and pay contracts by April 2012

Decmil expects a 10+ year construction cycle to underpin accommodation demand

Financing Structure

Calliope Village Construction

Decmil and the CBA have made available up to \$166 million of financing for the continued construction and operations of the Calliope Village

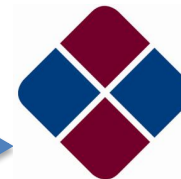
- Decmil have injected \$40 million into the MGA Gladstone Unit Trust and own 50% of the units on issue in the MGA Gladstone Unit Trust
- WICET debt facilities paid out in full on 23 December 2011 which represented construction costs incurred on Stage 1
- Non-recourse project credit facility with the Commonwealth Bank for \$80M established and available in tranches to fund the construction of further stages of the Village
- Each tranche of CBA funding will be made available based on underlying accommodation agreements
- Decmil providing a further \$46 million of mezzanine financing for further unit construction and assist the facilities manager with short-term working capital requirements
- The above finance facilities provide the MDJV capacity to complete the construction of up to 1,683 rooms at the Village. The balance of project finance required to complete the construction up to 2,265 rooms will be sourced from the MDJV parties and reinvestment of project cash flows



Up to \$86m via:

- \$40m equity injection to acquire 50% interest; &
- \$40m mezz facility (plus \$6m working capital finance for facilities manager)

Up to \$80m of non-recourse finance facility



MDJV
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DEC MIL GROUP JOINT VENTURE

Construction up to
2,265 rooms



DELIVERING ON THE STRATEGY



Expansion of Capabilities

Recurring revenue stream generation via the Build-Own-Operate Village model




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EXISTING CAPABILITIES

+

DIVERSIFICATION

CIVIL CONSTRUCTION	BUILDING CONSTRUCTION	
	Non-Process	Accommodation
		
Small & large-scale brownfield greenfield civil concrete	Industrial buildings, plants, storage facilities & workshops	Design & construct permanent and temporary accommodation facilities
Resources Oil & Gas	Resources Oil & Gas Government	Resources Oil & Gas

 Gladstone <small>A PARTNERSHIP BETWEEN SEMIAL GROUP JOINT VENTURE</small>	Future Opportunities
MAINTENANCE & OPERATIONS	INFRASTRUCTURE
Recurring earnings stream	
	
Build, own and operate accommodation villages	Civil infrastructure services
Resources Oil & Gas Infrastructure Providers	Resources Oil & Gas Government Utility Providers

Queensland Expansion

- Decmil Australia office established in Brisbane for 12 months
- Resources recruited with 9 employees in Head Office
- Recruiting heavily focussed on project staff for future project opportunities
- Very strong tender pipeline
- Focus on project delivery of Calliope 1H 2012
- Aim to achieve \$150M turnover in FY 12/13
- Target 20% growth thereafter
- Relationships developed with key resource sector clients
 - LNG, Coal & Metals (BHP, BMA, RIO, Alpha Coal, Xstrata)
- Limited competition with experience servicing Resource clients
- Main competitors –
 - Laing O'Rourke, Hutchinson, Ausco, ATCO & Thiess



DECMIL AUSTRALIA

Project Pipeline

- **Strong near-term project pipeline** in key target sectors
- Decmil leveraged to **significant pipeline of work for LNG and iron ore expansion**
- **More than \$4.01b in contracts** to be awarded over the next year

	CLIENT	PROJECT	TYPE	CONTRACT VALUE	AWARD TIMING*
WA	BHP Billiton	RPG6, RGP6A, Quantum	Village, Civils, NPI	\$600m	Mid 2012
	Rio Tinto	Expansion to 283mtpa	Civils, NPI	\$250m	Mid 2012
	Chevron	Wheatstone	Civils, NPI	\$500m	Mid 2012
	Woodside	Browse	Village, Civils, NPI	\$1.5b	2013
	Hancock	Roy Hill	Village, Civils, NPI	\$500m	Mid 2012
	API (Aquila)	API JV	Village, Civils	\$300m	Mid 2012
QLD	BMA	Caval Ridge Mine	Village, Civils, NPI	\$150m	Early 2012
	Xstrata	Wandoan	Village	\$100m	Mid 2012
	Hancock Coal	Alpha	Village	\$110m	Mid 2012
TOTAL				\$4.01 billion	

*Timing subject to client change

Outlook

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- **DGL entered FY 2012 well positioned for growth**
 - \$300m order book as at July 2011
 - In excess of \$700m in tenders submitted, pending award by March 2012
- **Strong pipeline of new projects**
 - Positive short-term outlook in core sectors - some uncertainty on final timing of key projects - resources, oil & gas and infrastructure
 - Decmil has identified \$4.0 billion in short-term project pipeline (late 2011/ early 2012)
- **Focus on maintaining performance and profitability**
 - Elevated tender activity across all sectors, highly competitive environment
 - DGL will maintain a disciplined approach to new contract tenders with margins reflecting risk
 - Competition for labour expected to intensify, maintain focused programs targeting employee attraction and retention

DGL Strategic Focus

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- **Operating Performance**

- Sustain strong operational performance and disciplined approach to capital management
- Continuously improve management systems and processes to deliver value to clients and shareholders
- Continue to attract, develop and retain the right people

- **Future Growth**

- Maintain focus on organic growth in core markets in Western Australia
- Identify and assess opportunities to leverage expertise and experience in core markets in Queensland and the Northern Territory
- Develop recurring revenue stream as part of diversification strategy
- Assess M&A opportunities for small/medium sized deals, bolt-on acquisitions

