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Expanding Towards the Future

Building on Success



Annual Report 2007



The Group is an integrated multidisciplinary engineering services provider serving mainly the oil and gas and mining related which includes extraction and processing of mineral ores industries. From industrial construction to maintenance services, the Group is able to provide total engineering solutions and specialist services across a variety of fields.

The Group's principal activities are undertaken through its engineering division and services division. The engineering division comprises of its oil and gas, LNG ("Liquefied natural gas") projects, fabrication and industrial construction business units while the service division is made up of its maintenance, protective coatings, insulation and refractory linings business units.

The Group services the needs of renowned customers from the energy and mining-related industries such as BHP Billiton, Apache Energy, Woodside Energy, Alcoa Worldwide Alumina, Rio Tinto Australia, Chevron Texaco, BP and Alstom Power.



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Koh Soo Keong
Chairman

Dear Shareholders,

Though a relatively young company, AusGroup has succeeded in building up its track record and order book to a healthy level. We have also made the strategic acquisition of Cactus Engineering which will increase our capabilities and service offerings and expand our customer base, thereby positioning the company well for future growth and expansion.

Certainly, our achievements and excellent growth in the past year would not have been possible without the hard work and commitment of our dedicated management and staff led by Mr. Stuart Kenny. My fellow board members and I would therefore like to thank the management and staff for their hard work, commitment and contributions to AusGroup.

We would also like to thank all our shareholders and partners for their support and their faith in the company.

The current strong demand from the oil and gas sector bodes well for the future of AusGroup. As we enter a new financial year, we look forward to the continued contributions from our dedicated staff, management, the Board members and support from our business partners and shareholders.

On behalf of the board and management, I would like to take this opportunity to thank David and Eng Hoe, who retired during the year, for their support and contribution. I wish them good health and happiness.

Stuart Kenny
Managing Director



The past year for AusGroup has been a year of consolidation where the focus was on strengthening lines of support for managers, aligning with existing customers, attracting new customers and successfully integrating Cactus Engineering and Trading into the Group.

This has allowed the Group to achieve a healthy increase in revenue of 17% for the year whilst at the same time achieving a very credible increase in NPAT of 77%, which is a truly outstanding result.

The Australian operations have continued to maintain a strong presence in the minerals and resources area where revenue has grown as a result of continued expansion of iron ore project developments. At the same time, we have maintained our focus on the oil and gas sector, although revenue was lower than the previous year.

I am pleased to see the development of people and progress at our new operations in Singapore, Cactus Engineering and Trading. This operation made a great initial contribution to the Group for the year after we acquired the initial 76.6% interest in the company in August 2006 and the remaining minority shareholding in November 2006.

It also gives me great pleasure to acknowledge the quality accreditation to AS4801:2000 by our Australian operations for their safety management systems. I further acknowledge the outstanding achievement of our Australian operations following the recognition received at State and Federal level, where the Ausclad Group of Companies Limited received awards for the Best Workplace Health and Safety Management Systems in Western Australia and also in Australia.

Planning has been undertaken by the Group for further growth in the year ahead. I am optimistic that market conditions will be favourable in all areas where operating divisions of the Ausclad Group of Companies Limited provide their services.

Our iron ore mining customers continue to make major investment and the industry in general remains strong. Investment in oil and gas related projects is expected to increase in the next 12 months, which will provide opportunities for the Group to build on a successful track record in fabricating offshore structures and onshore oil and gas facilities.

We remain committed to grow our maintenance service business unit, although growth has been slower than expected the past year. Deferment of scheduled plant shutdowns and a client's decision to change their outsourcing strategy had unfortunately, limited our growth to a modest 3% above 2006 revenue.

I am however, grateful to acknowledge the extension of our maintenance contract with Minara Minerals for their Nickel processing facility and the expansion of our contract with Alcoa World Alumina from providing refractory lining maintenance to also include mechanical maintenance. I am also pleased to recognise the award of a maintenance contract by BHP Billiton at their new Ravensthorpe Nickel Refinery for repairs and maintenance of industrial insulation systems to piping and process equipment.

Our Singapore operations, Cactus Engineering and Trading, is very well placed to grow and benefit from the increasing demand for energy derived from sub sea oil and gas field discoveries both within the Asia Pacific Region and beyond.

Cactus Engineering and Trading has been seeking to acquire a suitable property in Singapore for some time and I am pleased to confirm that a sale and purchase agreement has been effected to acquire a 30 000m² property at 36 Tuas Road Singapore. This will allow Cactus Engineering and Trading to consolidate its operations into a single location where it can expand production and extend the range of components manufactured to meet the burgeoning global market for sub sea drilling and production equipment.

A purpose built facility to house fabrication, machining and protective coatings operations will be built at the site. There will be space for the assembly of large complex components, storage of client materials as well as room for further expansion of production facilities when required.

A further development for AusGroup during the year was the execution of a Joint Venture with Hertel, a large industrial services group based in the Netherlands, to spearhead work on the Shell Houdini project and the Exxon SPT project on Jurong Island in Singapore.

I am confident that all shareholders in AusGroup Ltd will continue to derive increasing benefits from the operations and growth of the Group as we expect a continuation of the success factors through the coming year and into the future. The Group has, over the past months, carefully developed a three-year strategic plan to identify growth opportunities and factors which will impact, or assist in the achievement of our objectives. Demand for services provided by the Group is expected to remain strong for a number of years.

Early identification of additional key resources has led us to develop a plan to ensure additional personnel can be recruited to fill positions created as the Group grows. A peak workforce of 1,100 employees in Australia and 250 employees in Singapore recorded over the past year is expected to grow again over the next 12 months.

The Board has approved a capital expenditure commitment of \$50m over the next 12 months, which will comprise plant and equipment such as cranes and access equipment for site related work, automated processing and welding equipment for fabrication workshops, additional precision engineering equipment for Cactus Engineering and Trading and the purchase of land and buildings in both Western Australia and Singapore.

Over the past years, works such as electrical and instrumentation components of AusGroup's Australian operations have been subcontracted to specialist suppliers. A study of future opportunities has shown that this trend will continue and consequently, Ausclad Group of Companies Limited has decided to establish an in-house electrical and instrumentation capability, which will become more active over the next 12 months and make a positive contribution to Ausclad Group of Companies Limited operations over the same period. This division will be able to support each of the Australian business units servicing mining and resources, oil and gas as well as maintenance customers.

Skills shortage is widely recognised as a business risk in today's environment. Ausclad Group of Companies Limited has a team of 10 specialists in the human resources department, with access to a database of thousands of personnel with industry experience, to scour the Australian job market for employees.

I am proud to share that Ausclad Group of Companies Limited is also training 50 metal trades' apprentices. This is expected to increase in the year ahead. In addition to apprentices, Ausclad Group of Companies Limited provides sponsorship to a number of Engineering and Construction Management undergraduates in their final year of study and also offers them vacation employment.

This initiative provides early contact with students, to help attract new engineers into the Group and to date, it has provided Ausclad Group of Companies Limited with a number of graduates. We look forward to increasing recruitment from this initiative as more vacancies are created, enabling engineers to progress and develop skills which will take them into management roles in the future.

Where skilled workers have proven to be unavailable, or the source of supply unpredictable, recruitment of staff has been directed to South Africa, South Asia and the United Kingdom. Skilled tradespeople have also been recruited from Asia, with welders and pipe fitters employed from the Philippines.

Whilst competition exists for Singapore-based staff to join our operation in Tuas, we continue to recruit skilled workers from mainland China, India and Bangladesh to ensure sufficient employees to maintain production and growth.

Last but not least, I take the opportunity to recognise and acknowledge the continued support of the Board and especially thank all staff for their commitment and belief in AusGroup over the past year.

Shareholders have been rewarded through strong growth in the share price over the past 12 months and will be further rewarded when the maiden dividend payment of 10% of the net profit is made in November.

Where the past has been successful, the future remains exciting.

8 June 2007

Joint Venture with European-based conglomerate, Hertel Group for the purpose of participating in work on the Shell Eastern Petrochemicals Complex Project and Exxon Mobil SPT Project.

2 May 2007

Awarded the 2006 "Best Workplace Health and Safety Management System" by the Australian Safety and Compensation Council (ASCC).

4 April 2007

Secured A\$26 million contract to undertake work for the procurement, fabrication and loadout of an unmanned wellhead platform.

22 January 2007

Signed an agreement with Alinta Energy to be one of two preferred contractors. Under the terms of this contract, AusGroup Limited will be providing construction services to Alinta Energy to build new or expand existing power stations.

Secured contract with Kellogg Brown & Root (KBR), a large American engineering and construction firm to undertake structural, mechanical and piping site installation of an Iron Ore process plant and Iron Ore train loadout facility for a new Iron Ore mine in Western Australia.

Secured contract with CSBP, a subsidiary of Wesfarmers Ltd.

18 October 2006

Secured a 21-month extension of a maintenance contract worth in excess of A\$40 million.

2 August 2006

AusGroup Limited successfully completed 100% acquisition of AGL Cactus Pte Ltd


11 June 2007

AusGroup Limited upgrades to SGX Main Board.

15 May 2007

Won a A\$6.0 million contract for mechanical and piping work associated with the expansion of an existing gold mine approximately 200km south of Perth.

JP Morgan Chase emerged as a substantial shareholder of AusGroup Limited, with an 8.69% stake.

12 February 2007

Announcement of half year financial statement for the period ended 31 December 2006.

21 November 2006

AusGroup Limited successfully completed 100% acquisition of Singapore-based Cactus Engineering.

2 November 2006

Secured a A\$16million contract with new mining giant Fortescue Metals Group to supply fabricated structural steel and plate work.

Secured a A\$12million contract with Alinta Cogeneration (Wagerup) Pty Ltd to install 2 x Alstom 150 MW Gas Turbine Generator units at the Wagerup Alumina Refinery 130 km south of Perth, Western Australia.

Awarded a A\$4million contract to manufacture, supply and deliver a cold interpass Heat Exchanger to its Murrin Murrin Nickel Refining Plant in Western Australia.



Engineering

AGL transcends new boundaries. Over the years some of the most challenging industries have utilised our diverse range of fabricated mechanical equipment and steel structures – from complex sub-sea oil and gas systems to heavy duty mining material handling equipment. With our dedicated and motivated multi-discipline construction team, AGL is committed to exceed expectations.



Mining and Resources

Ausclad Group of Companies Limited ("AGC") has continued to benefit from continued exposure to the resources sector in Western Australia, which is being propelled by significant world demand for minerals, especially iron ore.

AGC's performance in this sector was proven again early in the financial year with the completion of the second stage of Rio's Dampier Port expansion ahead of schedule. This resulted in the Group securing a new contract for mechanical erection of mine site facilities for Rio at their new Hope Downs mine.

A new iron ore customer was added to our customer base during the year after Fortescue Metal Group awarded AGC a contract for the fabrication of structural steel and associated chutes and equipment for a screen building at their new Cloud Break iron ore mine. Continuation of a strong relationship with Metso Minerals has been maintained following award of an additional 220 tonne, 2 cell car dumper for an iron ore customer.

Work continued on the CSBP ammonia nitrate plant at Kwinana in Western Australia. AGC was successful in securing the second stage to this project to supply and erect structural steel, piping and pressure vessels for a prill plant to convert liquids into solids for use as explosives in the mining industry.

Demand from customers in the iron ore industry is expected to continue into the next few years. Demand will also be boosted by other mineral sectors such as gold, alumina and nickel.



Parker Point Twin Cell Car Dumper



Adam Portaro
General Manager (Mining & Resources)

Major Contracts for 2007

CSBP - Ammonia Nitrate Plant

Fabrication and installation of structural steel, piping, tanks and pressure vessels in carbon and special stainless steels.

Rio Tinto - DPU Phase B

Fabrication and installation of structural steel, piping and conveyors and installation of vibrating screens at the export terminal for Pilbara Iron.

Rio Tinto - Hope Downs

Installation of client supplied structural steel and mechanical equipment for a new iron ore mine in the Pilbara region of Western Australia.

BHP Billiton - Ravensthorpe Nickel Project

Completion of the installation, testing and application of protective coatings to 18 storage tanks.

Fortescue Metals Group - 11 Cell Screen Building and Conveyors

Fabrication of structural steel and storage bins for the construction of a new iron ore mine at Cloud Break in the Pilbara region of Western Australia.

Minara Minerals - Heat Exchanger HX19

Fabrication of a 120 tonne heat replacement heat exchanger for the Murrin Murrin Nickel Mine in Western Australia.

Oil and Gas



Jason Hughes
General Manager (Oil and Gas)

AGC's position as a leading services provider to the oil and gas and energy sector has again been strengthened during the year. The Group secured a new contract to support Conoco Phillips Bayu Undan operations in the Timor sea and continued a contract with Transfield Worley to undertake fabrication of pipe spooling and structural steel for Woodside's onshore and offshore production facilities. In mid-2006, AGC transported a 450 tonne preassembled Bio Diesel plant by ship from our Henderson facility south of Fremantle to Darwin for final installation and commissioning which was completed early in 2007.

The emerging energy sector also provided an opportunity for AGC to undertake the installation of two 60 MW Gas Turbine Generators and associated pipe work and structural steel for a new power station being developed by Alinta Gas south west of Perth in Western Australia.

The growth in sub-sea field developments was also evident in Australia following the award by several Woodside specialist service providers for sub-sea valve skids and other flow line spools for their POG offshore expansion project, in addition to the fabrication of tie in spools for another international offshore contractor.

A highlight for the year was the award of a contract by Saipem for the design and fabrication of a 2,000 tonne offshore jacket and unmanned well head platform. This structure will be the largest offshore facility fabricated by AGC to date and further proves AGC's position as a skilled and

cost competitive service provider to the oil and gas sector.

The Oil and Gas division has been pursuing several projects and opportunities, which will underpin growth for 2008 and place AGC in good stead to benefit from the expected growth generated by new demand from LNG plant construction projects.

Major Contracts for 2007

Alintas Gas - Two 60 MW Gas Turbine Generators
Fabrication and installation of structural steel and piping and installation of mechanical equipment associated with gas turbine driven generators including all associated electrical and instrumentation services.

Perseus Over Goodwin Project

Fabrication of pipe spools structural steel, riser pipes, sub-sea plums and integrated valve skids and tie in spools for a number of service providers for Woodside Energy's offshore field upgrade.

Clough Amec - Bayu Undan Offshore Facilities Upgrade

Fabrication of pipe spooling and structural steel for Separator upgrade project.

Transfield Worley Woodside Alliance

Provision of workshop fabrication of pipe spools and structural steel for shutdowns and upgrade projects associated with Woodside Energy's onshore and offshore hydrocarbon processing facilities.

Saipem - Blacktip Project, Well Head Platform and Jacket

Fabrication of a 100 tonne jacket and associated well head platform and fixing piles for an offshore gas field development which is part of the larger \$750m onshore gas plant and pipeline being developed by ENI for the Channel Island Power Station in Darwin Northern Territory.



Fabrication of a
Stainless
steel pipe
spool

Cactus Engineering and Trading (“Cactus”)

The sub-sea hardware market has been fairly quiet for many years but strong growth in oil prices and continued demand for oil in the past 18 months have proven to be a great benefit for Cactus.

Cactus was acquired in August 2006 and AusGroup was able to acquire the remaining interest from the minority shareholders in November, thereby making Cactus a fully-owned subsidiary. However, much had been achieved in the short span of time. New accounting, costing and purchasing systems were introduced and improvements to operating efficiency implemented. Staffing has been increased to ensure the Cactus management team is strengthened to cope with the forecast projected additional growth.

Cactus is now strategically placed to take advantage of continued strengthening of the specialist precision engineering market. This will allow Cactus to move along the supply chain to manufacture other sub-sea components and extend its services to surface drilling and oilfield products.

The recent property acquisition should facilitate expansion and improve efficiency by eliminating space constraints faced over the past 12 months. Additional machining capacity had been added with plans to further increase capacity in the coming year as new workshops are completed and commissioned at 36 Tuas Road. This would enable all specialist precision manufacturing activities to be centrally located.



Tham Cheong On
General Manager (Cactus Engineering)

Hertel AusGroup Joint Venture

AusGroup entered into an agreement in May 2007 with Hertel Asia Holdings Pte Ltd, a wholly owned subsidiary of Hertel Gmb Ltd from Netherlands, to perform contracts on Jurong Island associated with the duplication of Shell and Exxon Mobil refineries. Work to be undertaken under the joint venture will include insulation, fireproofing and scaffolding, all of which require the expertise of both organisations.

We look forward to a long and successful working relationship with Hertel in Singapore as well as elsewhere in the region where the opportunity arises.



Left: Cactus Main Office Building

Top: A Subsea production manifold supplied to Cameron Singapore for ONGC



Services

AGL's Services builds on sustained partnerships. Directed by a life cycle asset management approach, we encourage experiences and ideas integration among functional teams. Unrivalled in our full suite of in-house services, we count niche skills in refractory linings and specialised surface preparation and coatings as our multi-discipline services.



The services business unit went through a year of consolidation. Several plant shutdowns scheduled to be undertaken by the Linings group were cancelled and replacement work was of a lower value, making it impossible to source alternative revenue during the financial year. However, sales increased in a number of areas as customers focused on undertaking preliminary work for major plant upgrades planned for 2007 and beyond.

In line with the commitment to grow the business unit, additional resources were deployed for business development. This area enjoyed some early success, which positioned it for significant growth in the future.

A three year insulation maintenance contract with Ravensthorpe Nickel Operations was awarded late in the financial year, while another significant contract to expand services provided to a long term customer could be expected early in the new financial year.

The Group has commenced preparation during the later part of the financial year to consolidate all sections of the services business and relocate to a new leased property. The property provides dedicated facilities for fabrication as well as areas for blasting and protective coatings operations and specialised sheet metal fabrication.



Internal Tube Bundle loaded and ready for transportation from AGC Kwinana to Murrin Murrin Nickel Refinery



Brad Bain
General Manager (Services Division)

Major Contracts for 2007

Minara Resources

Supply of onsite labour for recurring plant site maintenance, provision of labour for shutdown support and offsite fabrication support for the Murrin Murrin Nickel process plant at Leonora, Western Australia

Alcoa World Alumina

Provision of plant, equipment, management, supervision and labour to undertake repairs and upgrade of refractory linings to calcination units at Pinjarra, Wagerup and Kwinana alumina processing plants.

Ravensthorpe Nickel Operations

Supply of labour and supervision for shutdown support and repairs to industrial insulation systems.

Miscellaneous Mechanical Works

Supply of labour, supervision, plant equipment and fabricated steel for plant maintenance and upgrades to mining and process industries in Kwinana region of Western Australia.



Corporate Services

AGL's ongoing commitment to Health, Safety, Environment, Quality, Human Resources and Training ensures high quality, incident free projects. Our culture of caring for our people's health and safety coupled with an ongoing training programme ensure effective employee retention.



Group Employee Services Area

Safety Health and Environmental (HSE)

AusGroup Limited ("AGL") continues to forge ahead on its journey towards ZERO HARM. According to our core value of "No Injuries to Anyone – Anytime", AGL has continued to implement, monitor and conduct robust HSE audits across all business units.

AGL recognises that for the continued development of our HSE systems, all personnel need to be engaged in HSE in an open and transparent manner. Where opportunities for improvement are identified, management have embraced the challenges for change and allocated the necessary resources to achieve the successful close out of actions.

AGL has progressively shifted the focus towards proactive HSE measures (leading indicators) as opposed to an over reliance on lagging indicators (statistics).

This strategic shift has been primarily responsible for the continued reduction in dependence on lagging performance indicators, whilst demonstrating an improvement in compliance to the AGL corporate HSE management plan(s) and HSE standards.

AGL HSE is an industry leader in delivering safety performance under industry and regulatory injury frequency benchmarks and standards across all AGL business units. The AGL HSE department will continue to strive to deliver HSE excellence to operations of all business units as an integrated discipline of the operations rather than as a standalone service provider.

The AGL HSE department has expanded in line with our continued growth and expansion and currently has HSE advisors supporting all business units and projects. With the recent restructuring of the operational organisational chart, HSE coordinators now assist Business Unit Operational Managers and General Managers in reviewing HSE data and developing new initiatives to further promote the message of ZERO HARM.

Initiatives Australia

- Internal OSH & Environmental Awareness training for supervisors (9 modules)
- The appointment of additional HSE site based advisors

- Maintenance of HSE Core Value of ZERO HARM
 - No Injuries to Anyone – Anytime
 - Respect for the Community and the Environment
 - Development of 10 HSE standards
- Implementation of behavioural based safety programs
- Recruitment of Occupational Nurse for Medical Centre
- Development of environmental goals and targets
- AS 4801 Occupational Safety & Health Management Systems accreditation

Initiatives/achievements Singapore

- Completed risk assessments for mandatory activities as required by the Ministry of Manpower
- Appointed a full time HSE advisor
- Conducted internal Working at Heights training
- Achieved 6 months LTI free working period



Engineers reviewing the field assembly of twin cell car dumpers



OHS SystemTM

**Occupational
Health
and Safety**

AS/NZS 4801 Lic 20394
SAI Global



Fabrication of temporary guide base at Cactus base

HSE Lagging Statistics

2004-2005	2005-2006	2006 – 2007
Lost Time Injury Frequency Rate (LTIFR): 1.69 Total Recordable Injury Frequency Rate (TRIFR): 11.09	Lost Time Injury Frequency Rate (LTIFR): 1.04 Total Recordable Injury Frequency Rate (TRIFR): 9.90	Lost Time Injury Frequency Rate (LTIFR): 0.00 Total Recordable Injury Frequency Rate [TRIFR]: 6.70

Health

- Establishment of purpose built medical facility (Kwinana)
- Continuation of in-house health and pre employment medical assessments
- Continuation of in-house drug and alcohol screening
- Development of health promotions and awareness programmes

Environment

AGL business units operate over diverse industry groups and contribute to project and, or site environmental goals and targets. As part of the strategic plan, AGL has developed a standalone Environmental Management Plan that will be used as a foundation to support accreditation to ISO 14001 during the first quarter of 2008.

Training

AGL management recognise the importance of continual training and the investment of such training has for the continued growth and development of the business. All AGL personnel are encouraged to participate in specific occupational safety and health training, environmental training, skill accrual and front line management training.

AGL has developed relationships through partnerships with recognised training organisations (RTO's) and industry groups and associations that enable the development and, or delivery of either project specific or nationally accredited training courses.

Recognition

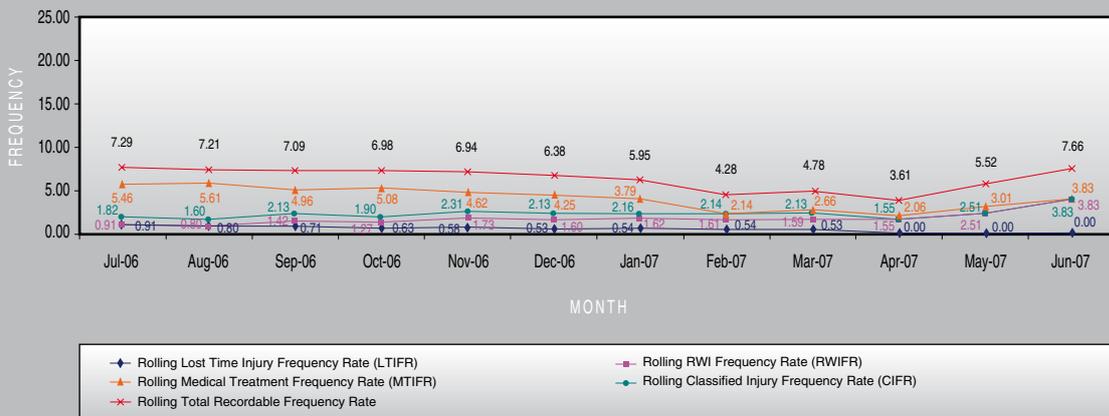
- AS 4801 Accreditation
- Work Safe WA Winner for Best Workplace Health and Safety Management System
- ASCC National Winner for Best Workplace Health and Safety Management System.



P.O.G. Project, Rigging for Technip Riser and Subsea Spooling



AGC Limited 2007 Frequency Rates



Human Resources (HR)

AGL has, in the Australian operations, a dedicated and focused Human Resources Department comprising a Human Resources Manager, a Personnel and Recruitment Manager, two Senior Staff Recruitment Coordinators, eight Recruiters (three White Collar recruiter and five Blue Collar recruiters) and a HR Receptionist.

- Systems to streamline labour prediction and recruitment across all business units within the Group have been implemented and further refined
- The Human Resources Department has a Database with over 12,000 registered applicants for sourcing suitably qualified personnel to meet the Group's operational needs.
- Continued growth of the industry and a tight labour market for skilled staff have led AusGroup to recruit locally and internationally.

- The Human Resources Department has focused on:
 - Sourcing additional metal trades apprentices into AGL with in excess of 50 currently employed
 - Sourcing graduates from university careers expos and employing graduates and undergraduates for vacation work
 - Direct recruitment of labour and staff by continued promotion of AGL as an employer of choice
 - Sourcing of skilled labour from the Philippines and South Africa (Coded Welders and Pipe Fitters)
 - 500 skilled personnel for Structural Mechanical Projects such as the Dampier Port Upgrade Phase B, Ravensthorpe Project, CSBP Ammonia Nitrate Plant Upgrade and Alinta Wagerup Project
 - Ongoing sourcing of labour for maintenance projects and shut downs at Murrin Murrin Nickel, Cockburn Cement and Alcoa Pinjarra; Kwinana and Wagerup Refineries; sourced over 300 personnel
 - Sourced over 250 skilled personnel for Oil + Gas & Fabrication/AMC facility projects
- The Human Resources focus over the next year is to continue to support all business units by recruiting suitably qualified personnel, be it from local and international sources, review the recruitment strategy to ensure competitive labour market issues are overcome, skills upgrading and training for existing staff and the implementation of specific staff retention strategies in 3rd quarter 2007.

Quality & Operational Systems (QOS) Group

In 2007, the QOS Department was further strengthened to meet the continued growth of the Group, as well as the rising volume, complexity of quality control and quality assurance deliverables from a growing client base.

The QOS Department in Australia comprises a Group Quality Manager, a Quality Control Manager with 14 QA/QC staff handling all aspects of Fabrication and Assembly inspection and approvals. In Singapore, the team consists of 17 QA/QC personnel across four operational sites.

By combining the QA/QC, Documentation Control and Operating Systems departments into a single reporting structure, it promotes dialogue among the personnel.

- AGL is pleased to announce that its Certificate of Registration for ISO9001:2000 Quality Management System will be renewed for another 3 years after successfully passing a triennial audit by SAI Global.
- The high quality of AGL's work standards has been recognised by the industry through the following awards:
- Australian Steel Institute "Steel Construction Award" for the "Linda" offshore gas platform
- Welding Technology Institute of Australia, "Fabricator of the Year" award, 2001 & 2005



CSBP Expansion Project, Overview of total site, AN2 Plant



From Left to Right: Mr James Finbarr Fitzgerald, Mr Tan Hup Foi, Mr Koh Soo Keong, Mr Kok Pak Chow, Mr Stuart Maxwell Kenny, Dr Chew Kia Ngee, Mr Barry Alfred Carson

Mr Koh Soo Keong (Age 55)

Independent Non-Executive Director

- Chairman of the Board of Directors
- Member of Remuneration Committee
- Member of Audit Committee
- Chairman of Nominating Committee

Mr Koh was, until April 2007, the Chief Executive Officer and President of Toll Asia Pte Ltd, formerly SembCorp Logistics Ltd (SembLog) which was acquired by Toll in May 2006. Currently, he is the Managing Director of EcoSave Pte Ltd. With over 20 years of experience in the logistics industry, he has helmed SembLog and its preceding companies since 1986. Under his leadership, the company enjoyed strong growth and successfully expanded its integrated logistics operations across Asia to become a leading logistics company in Asia. He is a board member of three publicly listed companies and the Deputy Chairman of the Agri-Food and Veterinary Authority of Singapore. He holds a Bachelor of Engineering (Honours), a Master of Business Administration and a Postgraduate Diploma in Business Law from the University of Singapore (now known as the National University of Singapore). He was awarded the Singapore Public Service Commission (PSC) Scholarship in 1971 and a PSC MBA Scholarship in 1983.

Mr Stuart Maxwell Kenny (Age 55)

Managing Director and Chief Executive Officer

- Member of Board of Directors

Mr Kenny is in charge of the overall management of AGL, responsible for promoting, expanding, developing and steering the corporate plans, direction and business strategies of the Group.

Mr Kenny was the Managing Director of AGL from December 1997 to May 2003 and again from May 2004. From June 2003 to May 2004, Mr Kenny was seconded to the Ausclad Meisei Joint Venture as its Project Director to oversee the A\$100 million insulation and painting contract for the North West Shelf Train 4 LNG expansion project. Mr Kenny has extensive experience as senior project manager on many large resource construction projects within the LNG, oil and gas, alumina and resource refining industries. Mr Kenny successfully completed several major construction contracts and received clients' commendation for his strong emphasis on project quality, team management and workforce safety. Mr Kenny holds a certificate for Contract Estimation and Supervision from Swinburne Institute of Technology, Australia. He is also certified by the Office of Energy, Western Australia as an Electrician (Grade A).

Mr James Finbarr Fitzgerald (Age 43)

Operations Director and Executive Director

- Member of the Board of Directors

Mr Fitzgerald is responsible for the management, development and performance of the Group's operating divisions. He has been an Executive Director of AGL since January 2002 and Operations Director of AGL since December 1997. From 1989 to 1998, he was the Managing Director of Ausclad Industries Pty Ltd and spear-headed the expansion of the oil and gas business unit. Mr Fitzgerald has extensive experience in steel fabrication of production platforms for the oil and gas industry, as well as the construction and maintenance of production facilities for the resources extraction and refining industries. Mr Fitzgerald holds an

Australian Recognised Tradesman's Certificate (Sheet Metal Worker, First Class) from the Australian Local (Sheet Metal Trades) Committee of New South Wales.

Mr Barry Alfred Carson (Age 62)

Non-Independent Non-Executive Director

- Member of the Board of Directors
- Chairman of Remuneration Committee
- Member of Audit Committee

Mr Carson has over 40 years of experience in the industrial and building industries. From 1964 to 1991, he was employed by CSR Limited, and rose to be the State Manager for CSR Bradford Insulation, a large Australian insulation manufacturer. Since 1995, Mr Carson has been the Managing Director of Australasian Insulation Supplies Pty Ltd. Mr Carson had served in the Australian Defence Force, where he earned the rank of Army Major and was awarded the National Medal and Reserve Forces Decoration. Mr Carson graduated from the West Australian Institute of Technology with an Associateship in Business Administration (Marketing Option) in 1974.

Mr Tan Hup Foi (Age 57)

Independent Non-Executive Director

- Member of the Board of Directors
- Member of Nominating Committee

Mr Tan is the Chairman of Ngee Ann Polytechnic Council. He is also an Honorary Vice-President of the International Association of Public Transport (UITP) and Honorary Chairman of UITP Asia-Pacific Division. Mr Tan also sits on the boards of the Singapore Charity Council and the Singapore Corporation of Rehabilitative Enterprises (SCORE). Mr Tan has over 30 years of experience in the transport industry. He was the Chief Executive of Trans-Island Bus Services Ltd from 1994 to 2005 and the Deputy President of SMRT Corporation Ltd from 2003 to 2005. A Colombo Plan scholar, Mr Tan graduated from Monash University in Australia with a First Class Honours degree in Mechanical Engineering in 1974 and he obtained a Master of Science (Industrial Engineering) from University of Singapore in 1979. Mr Tan was awarded the Public Service Medal by the President of Singapore in 1996.

Mr Kok Pak Chow (Age 54)

Independent Non-Executive Director

- Member of the Board of Directors
- Member of the Remuneration Committee
- Member of the Audit Committee
- Member of the Nominating Committee

Mr Kok has held senior management positions in various insurance operations, including a foreign general insurance company. Since May 2005, he has been acting as a consultant to Shenton Insurance Pte Ltd, a wholly owned subsidiary of Parkway Group Healthcare Pte Ltd. He has also been a consultant to Parkway Group Healthcare Pte Ltd since December 2001. Mr Kok holds a Bachelor of Commerce (Honours) Major in Economics from the University of Melbourne. He is a Fellow of the Institute of Certified Public Accountants of Singapore and a member of CPA Australia. He is also a Fellow of the Chartered Insurance Institute, United Kingdom. Mr Kok is active in community work and was conferred the Public Service Medal by the President of the Republic of Singapore in 2000.

Dr Chew Kia Ngee (Age 61)

Independent Non-Executive Director

- Member of Board of Directors
- Member of the Remuneration Committee
- Chairman of the Audit Committee
- Member of the Nominating Committee

Dr Chew was a partner of Coopers & Lybrand, Singapore from 1978 and was appointed Senior Partner and Executive Chairman of the firm in 1996. Following the merger of Price Waterhouse and Coopers & Lybrand on 1 July 1999, he was appointed Deputy Chairman of PricewaterhouseCoopers in Singapore and stepped down in 2004. He retired from PricewaterhouseCoopers in June 2005. Dr Chew is a Director of Datacraft Asia Ltd and Courts Limited. He is also a Director of the Foundation of Rotary Clubs Ltd and sits on the board of the Singapore Eye Foundation. Dr Chew holds a Bachelor of Economics (Honours) from the University of Malaya, a Master of Commerce from the University of Melbourne and a PhD in Business and Management from the University of South Australia. Dr Chew is a Fellow of the Institute of Certified Public Accountants of Singapore and was Chairman of its Auditing and Assurance Standards Committee and a member of the Professional Development Committee for many years. He is also a Fellow of the Institute of Chartered Accountants in Australia as well as a Fellow of the Australian Society of Certified Practising Accountants.

Mr Michael Anthony Hardwick (Age 47)
Chief Financial Officer

Mr Hardwick commenced his career in accounting with Deloitte Haskins & Sells in South Africa. Before joining the Group, he was Chief Financial Officer at Advanced Engine Components Limited. Prior to that, he was acting Chief Financial Officer of multinational group, Leisure and Allied Industries; as well as acting Managing Director and Financial Director of Barloworld Investments Namibia (Pty) Ltd and Managing Director of Barloworld Concrete Industries, subsidiaries of multinational Barloworld Limited. He also held the roles of Financial Director, Group Financial Manager and Group Accountant at the large Namibian owned company, The Ohlthaver & List Group of Companies. He has a Bachelor of Commerce and a Certificate of Theory of Accountancy from the University of Cape Town. He is also a member of the Institutes of Chartered Accountants in South Africa and Australia.

Mr Timothy Charles Webster (Age 46)
Executive General Manager Operations

Mr Webster is responsible for the management and overall performance of the Group's Australian operating business units. Mr Webster joined AGL in late 1999 and was in business development and management of fabrication works in the oil and gas industry. He left in mid 2002 to work on a major oil and gas project overseas and rejoined AGL in February 2006. He has extensive experience in both the petrochemical and mining industries, specifically fabrication, onshore/offshore construction and facility maintenance management. Mr Webster has worked extensively in Southeast Asia on major petrochemical projects with McConnell Dowell and Worley Limited. He has also worked with United Construction, Brown & Root and Thiess within Western Australia on construction and maintenance projects. Mr Webster holds a New Zealand Certificate in Mechanical Engineering.

Mr Bradley John Bain (Age 35)
General Manager, Services

Mr Bain joined the Group in 1997 as a Contracts Coordinator and is now responsible for the Refractory, Protective Coatings, Insulation, Maintenance and Upgrades business units of the Group. Mr Bain has contract management experience involving maintenance and shutdown projects for the resource processing industry. Mr Bain holds a trade certificate for sheet metal work from the West Australian apprentice board.

Mr Jason Henry Hughes (Age 36)
General Manager, Oil and Gas

Mr Hughes joined the Group in September 2000 and is responsible for the Oil and Gas business unit. Prior to that, he held various management and supervisory positions in the engineering and construction industry, including Project Manager for companies such as United Construction, Kiam Engineering and Alinta Construction. He has 12 years of experience in fabrication and construction in the oil and gas sector. Mr Hughes is certified as a Technician and Welding Inspector by The Welding Institute of England and as an Engineering Technician by the Engineering Council of the United Kingdom. Mr Hughes also holds a Diploma in Business and Finance.

Mr Adam Anthony Portaro (Age 44)
General Manager, Fabrication, Mechanical and Structural Installation

Mr Portaro joined the Group in October 2000 and is responsible for the Fabrication, Mechanical and Structural Installation business units. Mr Portaro has over 21 years of operational experience in the engineering and construction industry. He commenced his career as an apprentice boilermaker and first class welder in 1979 and had since held various operational positions in a range of engineering and construction projects. Mr Portaro holds a Trade Certificate (Steel Construction and First Class Welding) from the Industrial Training Advisory Council of Western Australia.

Mr Terence Hemsworth (Age 55)
Commercial Manager

Mr Hemsworth joined the Group in December 2002 and is responsible for the Services business unit located in the Eastern Region. He has more than 28 years of operational experience in the engineering and construction industry in Singapore, Malaysia, South Africa and the United Kingdom. Prior to joining the Group, he was with O'Donnell Griffin (part of the Tyco group of companies) and held the position of Regional Manager for Western Australia and Northern Territory. Mr Hemsworth is certified as an Electrical Mechanic by the Electrical Licensing Board of Western Australia and registered as an Electrician with the Electrical Registration Board of New Zealand.

Mr Giuseppe Marci (Age 58)

Business Development Manager

Mr Marci joined the Group in December 2002 and is responsible for the development of the Group's businesses, specifically in identifying new and potential projects, fostering customer relations, preparing expressions of interest and pre-qualification proposals and assisting with tender reviews. He brings with him more than 28 years of management experience in the engineering and construction industry. Prior to joining the Group, he was an Associate Director of Transfield Construction, a leading Australian engineering and construction company.

Mr Calum Mackenzie (Age 58)

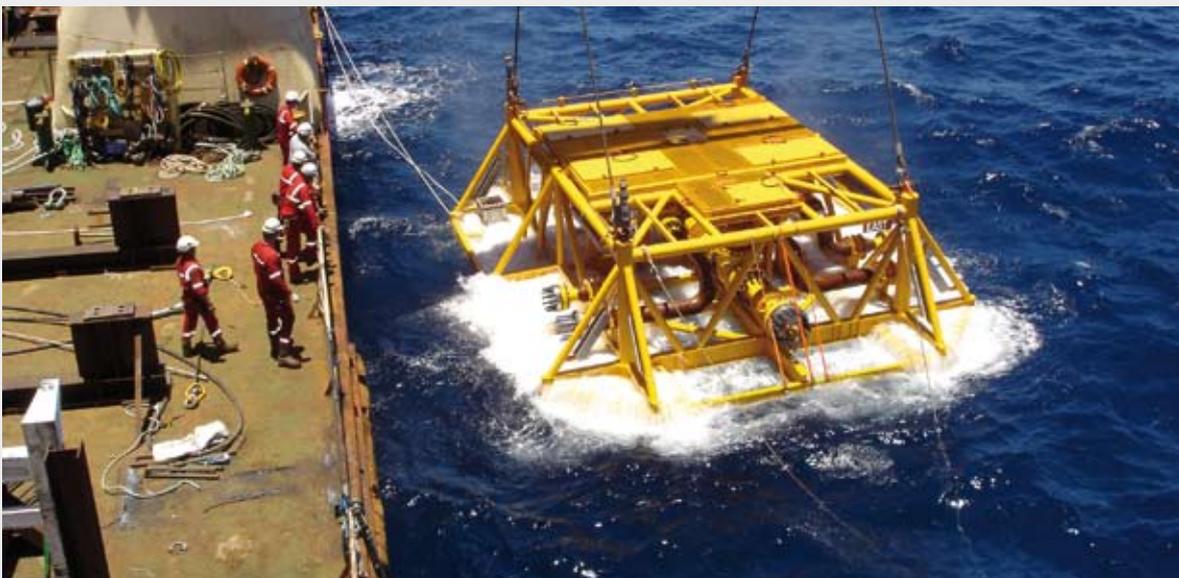
General Manager Electrical and Instrumentation

Mr Mackenzie joined the Group in May 2007 and is responsible for the Electrical and Instrumentation business unit. He has 20 years of managerial experience in E&I as Project Manager, Construction Manager and Electrical Manager. Mr MacKenzie has extensive experience in the oil and gas industry and had worked offshore for seven years for operations based in the United Kingdom, Norway and Denmark. Prior to joining the Group, he had been with McDermott Offshore, Balfour Kilpatrick International, Gooder Electrical, amongst others and had also worked in Bahrain, New Zealand and Australia. Mr Mackenzie is a certified Trade Instrumentation Fitter in the United Kingdom.

Mr COTham (Age 41)

Executive General Manager AGL Cactus Group

Mr Tham joined the Group in May 2007 and is responsible for the overall management of the AGL Cactus Group in Singapore. Before he joined the Group, he was based in Shanghai, China as General Manager for Vetco Gray Petroleum Equipment (Shanghai) Co. Ltd., a joint venture between Vetco Gray International and the Shanghai Electric Group. Prior to that, he was Engineering Manager at Eaton Aeroquip (S) Pte. Ltd. and Operations Manager for Holy Engineering Pte Ltd, a leading Singaporean engineering company. He has a degree in Manufacturing Engineering from the National University of Singapore and a Management Diploma in International Business from the Export Institute of Singapore.



Woodside Perseus Over Goodwyn Project Plem Skid Subsea Structure, Being installed by Technip

Corporate Information

Board of Directors

Koh Soo Keong
(Independent Non-Executive Director and
Chairman)

Stuart Maxwell Kenny
(Managing Director and CEO)

James Finbarr Fitzgerald
(Executive Director)

Barry Alfred Carson
(Non Independent Non-Executive Director)

Tan Hup Foi
(Independent Non-Executive Director)

Dr Chew Kia Ngee
(Independent Non-Executive Director)

Kok Pak Chow
(Independent Non-Executive Director)

Company Secretaries

Chan Chow Pheng Grace, ACIS, LLB (Hons)
Lim Bee Eng Corine, ACIS

Registered Office

138 Robinson Road, #17-00
The Corporate Office
Singapore 068906
Phone: (65) 6227 6660
Facsimile: (65) 6223 1735
Email: enquiries@ausclad.com.au

Principal Place of Business

Level 5
553 Hay Street
Perth WA 6000
Australia
Telephone: (618) 6210 7888
Facsimile: (618) 9439 1932

Company Registration Number

200413014R

Share Registrar and Share Transfer Office

M & C Services Private Limited
138 Robinson Road, #17-00
The Corporate Office
Singapore 068906

Auditors

Moore Stephens

Certified Public Accountants

11 Collyer Quay #10-02
The Arcade
Singapore 049317
Partner-in-Charge: Christopher Bruce Johnson
Date of Appointment: 15 April 2005

Auditors of the Subsidiaries

Moore Stephens
Chartered Accountants
Level 3
12 St George's Terrace
Perth WA 6000
Australia

Internal Auditors

Deloitte Touch Tohmatsu
Chartered Accountants
Level 14
Woodside Building
240 St George's Terrace
Perth WA 6000
Australia

Solicitors

Lee & Lee
Level 19
5 Shenton Way
UIC Building
Singapore 068808

Principal Banker

St George Bank Limited
152 - 158 St George's Terrace
Perth WA 6000
Australia

Website

www.agl.com.sg