

6 June 2017

Market Update

The Directors of Site Group International Limited ("Site", ASX:SIT) are pleased to provide the following update on the activities of the company.

It is Site's intention to focus on energy services, engineering, mining, safety and trades training delivery. The domestic and offshore delivery models are growing due to Site gaining market share and broadening its scope of training products. The strong corporate customer base and high barrier to entry services such as the Safe Live Process Plant (SLPP) continue to be key differentiators for Site.

The following briefing is intended to provide shareholders an overview of the company from 1 July 2017 onwards.

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About Site

Site Group International Limited (“Site”) operates several businesses specialising in the delivery of education, training and labour services. Services are delivered to government, corporate and individual clients, predominately operating in energy, mining, construction, oil and gas and industrial sectors.

Site Group International Limited is an emerging company with a strategic business model pursuing earnings-accretive growth based on previous acquisitions along with organic growth.

Wild Geese International

Site operate a Perth based specialist Oil and Gas Competency Development and Design consultancy business unit, out of Perth, and had been operating for ~15 years prior to joining Site.

An Australian Registered Training Organisation, Wild Geese have integrated in to Site’s broader national and international service capability.

Site Skills Training

An Australian Registered Training Organisation, Site Skills Training delivers Accredited and Non-Accredited High Risk Licence, Health and Safety and industry programs extensively throughout Australia and internationally. Site deliver ~25,000 short course programs in Australia each year including delivery of Apprenticeships and Traineeships, and VET in Schools programs.

Site Institute

Site Institute is an Australian Registered Training Organisation and International CRICOS education provider. Site Institute has students studying in Australia from countries including Argentina, Brazil, Chile, Colombia, Mexico, Peru and South Korea, with additional networks being established in other countries.

Site Online

Site established an online learning, learning software and platform development business. Site Online services and hosts Site’s learning, student and competency management systems across its businesses, develops online learning programs, and converts existing learning content in to online programs.

Site Online is also established to service requirements of clients including those of other business units.

Site Group International Pte Ltd

The Site Group International business division builds immersive training environments for the purposes of undertaking competency development, specifically the Engineering, Procurement, Construction and Commissioning of Safe Live Process Plant environments.

SGI is based in Singapore and Malaysia and services predominately oil and gas industry clients throughout the world, utilising industry best practice and international standards for the development of competency frameworks and implementation of training programs.

TESOL Asia

TESOL Asia is a training and industry focussed organisation for Teachers in the English as a Second Language (ESL) sector. It provides access to training, consulting, industry conferences and academic journals around the world.

Teaching English to Speakers of Other Languages (TESOL) focusses on bringing English language acquisition academics together with professional teachers to support and develop the industry globally.

Site Skills Training Overview

Site Skills Training (SST) is an Australian Registered Training Organisation with six large training facilities across Australia, in WA, NT & QLD. These Australian facilities with a combined footprint of approximately 33,500sqm have become hubs for some of Australia's largest projects in Mining, Construction and Oil and Gas including; Curtis Island CSG to LNG projects; WA Northwest Shelf LNG projects; and Darwin Onshore and Offshore LNG projects; and effectively most major mine project sites across WA, NT and QLD.

Site Skills Training has assisted many of Australia's largest organisations ensure they have a safe and capable workforce. Some of these clients include Rio Tinto, BHP, Laing O'Rourke, Western Power, Origin Energy, Chevron, Fortescue Metals Group and Bechtel Australia. The companies and projects have engaged with Site to provide services which support the success of these economically significant projects.

In the three years 2014-2016, SST has delivered courses to over 90,000 persons who are either currently employed, seeking employment or seeking upskilling opportunities predominately in key sectors including mining, construction, logistics and energy.

Through this period training has resulted in an over 80% completion rate, with approximately 88% of students identifying as being in employment, and a further 11% seeking employment. This training has been delivered on behalf of over 4,000 companies and their divisions.

Site's global presence is shown on the following page.

There has been in excess of AUD \$150m spent by Site in establishing the critical footprint and capability which exists today.

Additionally, Site has continued to build its traineeship and apprenticeship business working with Industry and respective State Governments to provide training to meet industry requirements.

Energy Services specialist Wild Geese International continues to meet Industry demand and supply consulting and advisory services to major Oil and Gas projects.

SITE'S GLOBAL FOOTPRINT

TRAINING FACILITIES

AUSTRALIA

BRISBANE CBD
LOGAN
GLADSTONE
SUNSHINE COAST
PERTH
DARWIN

ASIA-PACIFIC

PHILIPPINES
PAPUA NEW GUINEA
MYANMAR
SINGAPORE
MALAYSIA

MIDDLE EAST

SAUDI ARABIA

TRAINING DEPLOYMENT

SERVICED REGIONS

AUSTRALIA
AZERBAIJAN
BRUNEI
CHINA
INDONESIA
LAOS
MALAYSIA
MOZAMBIQUE
MYANMAR
NEW ZEALAND
OMAN
PHILIPPINES
SINGAPORE
SOUTH KOREA
TIMOR-LESTE
UNITED ARAB EMIRATES
UNITED KINGDOM
VIETNAM



Export Markets

To date SST has exported Education and Training services to countries including Philippines, PNG, Myanmar, Saudi Arabia, United Kingdom, China, Singapore, Malaysia and has delivered services to governments and companies in locations including Timor-Leste, UAE, Azerbaijan, Africa and others. Site is currently negotiating to take its training services further abroad with expansion planned in the Middle East, Africa and South America.

SST's flagship international facility, in Clark Freeport Zone, Philippines, is a 300,000sqm operation with over 1,000 beds and acts as an Australian export training hub servicing industry and government clients throughout the Asia-Pacific region. The facility hosts OceanaGold's underground mine, G.E.'s gas turbine and rotational motors and the build out of Site's Safe Live Process Plant (SLPP).

In addition, Site Online and E-Learning divisions are beginning to build its service offering for Philippine, Australia and other external markets.

Sites Singapore and Malaysian operation has recently completed a contract for Singapore Government Agency SkillsFuture Singapore, for the development of a National Skills Framework, development of Technical Skills and Competencies Reference Documents, and a Wage Study for key job roles for the Energy and Chemicals sector.

Stated objectives of SkillsFuture Singapore includes development of an integrated high-quality system of education and training that responds to constantly evolving needs; and promotion of employer recognition and career development based on skills and mastery.

As part of the contract, Site developed a mapping framework for technical skills and competencies developed for SkillsFuture to the Singapore Workforce Skills Qualifications (WSQ) system and will rank Generic Skills and Competencies. This is expected to lead to other opportunities in Singapore and elsewhere.

Inbound Australia

Site has established export market networks for receiving inbound students from countries across Asia, Americas and Europe, with a newly invested and established CRICOS division now training students from countries including Argentina, Brazil, Chile, Colombia, Mexico, Peru and South Korea.

Safe Live Process Plant Environments

Site designs, engineers, constructs and commissions specialist Safe Live Process Plant (SLPP) facilities for training. Subject to obtaining funding, Site is currently exploring investing to establish three of these facilities across Gladstone, Darwin and Perth over the next two years to support training requirements servicing critical industry skills shortages. Funding for this program is intended to come from project financing.

Site is progressing its research in relation to the demand and investment with a range of industry players and universities, through Memorandum of Understandings, receiving letters of support from a range of industry bodies including the Gladstone Engineering Alliance for development of SLPP facilities in Gladstone; and receiving significant industry interest in the capacity to utilise a facility were they to be available from Site in Gladstone, Darwin, Perth and elsewhere.

Furthermore, Site has been consulting with Industry and Engineering bodies with regards to the development of Professional Engineering Work Integrate Learning Programs to support the ~25,000 undergraduate engineers commencing each year to receive 3 months' work experience around the plant environments.

The facilities are proposed to be utilised in partnership with Industry, Universities and other training providers, to increase the competency of individuals entering or up-skilling across a range of occupations including in Processing, Production, Electrical, Instrumentation, Control Room, Engineering and Emergency Response disciplines.

Furthermore, these environments improve efficiency and competency of persons entering projects, while decreasing time and cost to train, offer an inherently safer environment for training, and decrease disruption to an operation.

Training programs are deliverable under a suite of programs including accredited short courses, apprenticeship and traineeship aligned programs, industry tailored competency programs, specialist occupation familiarisation and training, international standards, and professional development and experience.

These plants are locatable at existing or new facilities, in conjunction with other operations and in potential partnerships greatly enhancing underlying operating feasibility. Site has developed SLPP facilities which are an essential to training new people for the Oil and Gas industry, and support the process and refinery and power generation sectors.

The below link is to a video demonstrating Site's capability:-

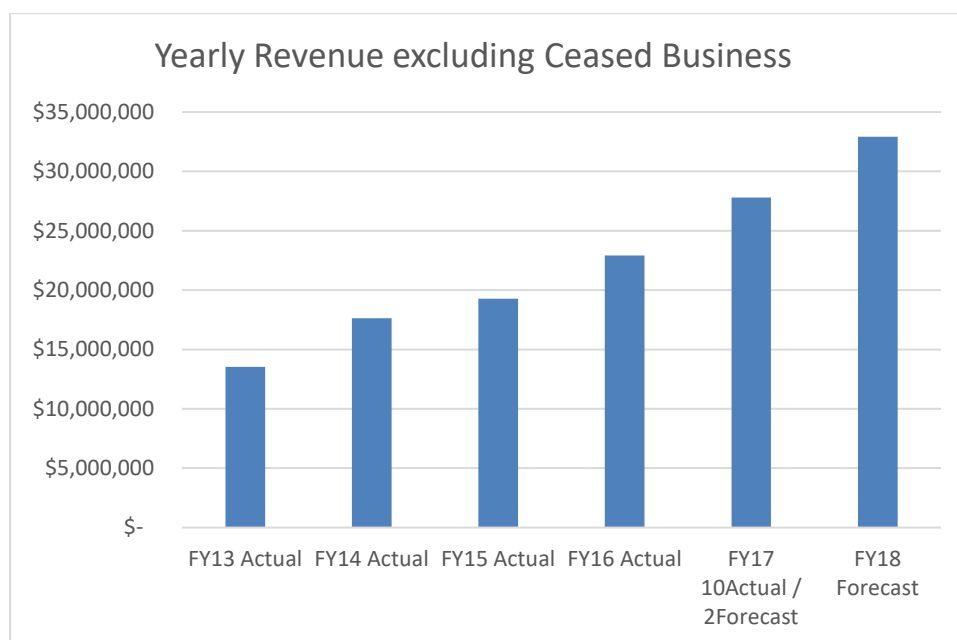
<http://www.site.edu.au/about/capabilities-video/>

Financial Performance

Overview of previous financial performance

Financial Statement AUD	12 Months	12 Months	12 Months	6 Months
	Actual	Actual	Actual	Actual to
	2014	2015	2016	2016
Revenue	17,257,323	40,712,776	67,561,989	24,679,750
<i>% Growth</i>	NA	135.9%	65.9%	
Cost of Goods Sold	15,786,753	31,159,830	42,211,452	14,201,904
Gross Profit	1,470,570	9,552,946	25,350,536	10,477,846
<i>% Margin</i>	8.5%	23.5%	37.5%	42.5%
Other Income	74,083	(176,687)	(37,252)	(21,255)
Other Costs	6,543,592	5,395,974	12,035,666	4,459,941
EBITDA	(4,998,940)	3,980,285	13,277,619	5,996,650
<i>% Margin</i>	-29.0%	9.8%	19.7%	24.3%
Depreciation & Amortization	(1,473,174)	(1,916,523)	(2,855,347)	(1,219,096)
<i>% Revenues</i>	-8.5%	-4.7%	-4.2%	-4.9%
EBIT	(6,472,114)	2,063,762	10,422,272	4,777,554
<i>% Margin</i>	-37.5%	5.1%	15.4%	19.4%
Interest	30,678	(11,523)	(235,024)	(170,405)
Tax	(45,682)	(105,786)	(782,431)	(1,056,413)
Profit	(6,487,118)	1,946,454	9,404,816	3,550,737

The above financial information includes revenue from the now ceased VET FEE HELP business, which Site no longer operates. The impact of the ceased business has been excluded from the below yearly revenue figures to show the historic revenue growth in the core ongoing business. This incorporates actuals to April 2017 (unaudited).



The revenue by segment for the ongoing business (excluding the ceased business) is shown in the below table:-

Segment Revenue	FY13 Actual 000s	FY14 Actual 000s	FY15 Actual 000s	FY16 Actual 000s	FY17 10Actual / 2Forecast 000s	FY18 Forecast 000s
SST Domestic	7,558	10,848	10,425	9,872	11,119	
SST International	5,964	5,531	4,355	4,655	6,728	
Energy Services	-	1,262	4,504	7,972	9,363	
Tertiary Education ex CCC	-	-	-	428	596	
Total	13,522	17,641	19,284	22,928	27,806	32,925
YOY Growth		30%	9%	19%	21%	18%

On 28 April 2017 Site released its Appendix 4C which indicated it had operating cash of \$335k. The cash position remains relatively unchanged. As indicated in the Quarterly update the Company continues discussion with potential providers of additional funding which would support the business working capital requirements and expansion of new 'high barrier to entry' products and enhance earnings and cash flow.

Important Notes:

This announcement contains forward looking statements and comments about future events, which reflect Site's intent, belief or expectation as at the date of this announcement. Such forward looking statements may include forecast financial and operating information about Site, its projects and strategies and statements about operations. Forward looking statements can be identified by forward-looking terminology including, without limitation, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target" and other similar expressions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements. Forward looking statements involve inherent known and unknown risks, uncertainties and contingencies, both general and specific, many

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of which are beyond Site's control, and there is a risk that such predictions, forecasts, projections and other forward looking statements will not be achieved. Actual results may be materially different from those expressed or implied. Forward looking statements are provided as a general guide only and should not be relied on as an indication, representation or guarantee of future performance.

Assumptions and Risks

The guidance of FY2018 Forecast has been extrapolated by applying an estimate of growth based on an average of the previous 4 years growth of the ongoing business as a whole and a review of the expected project pipeline. Management considers there are a number of clients, prospective customers and projects which management expects will be undertaken by Site which underpin this assumption. Investors should be aware however that there are risks associated with Site's business and this target may not be reached if Site fails to win expected future work, loses current work, industry faces another downturn or any other unforeseen future event.

This announcement contains a general summary of the ongoing activities of Site Group International Limited (Site) and does not purport to be complete and is to be read in conjunction with all other announcements released by Site. Information is current as at the date of this announcement and remains subject to change without notice.