

Message from the Managing Director.

It is my pleasure to present "What's Making News", SRG's first newsletter for 2018. As an important stakeholder in SRG, I hope you enjoy this newsletter and find the update on our business informative.

In this edition, we highlight some of our recent achievements within the business as well as showcase some of our projects where SRG is delivering excellent work for our customers.

In line with our strategy to target selective acquisitions to accelerate growth, SRG was delighted to announce in April that we have acquired TBS Group, a specialist industrial contractor in asset and infrastructure maintenance services.

The acquisition will deliver SRG significant revenue and earnings and will be highly EPS accretive, with around 30% EPS improvement expected.

Key highlights from the transaction include:

- Acquisition funded by A\$24m capital raising (A\$20m placement and A\$4m Share Purchase Plan) and balance from existing cash / NAB debt facilities
- FY18F revenue of ~A\$70m, EBITDA range of A\$7.5m – A\$7.9m and EBIT range of A\$6.0m – A\$6.4m
- FY19F EBITDA range of A\$8.0m – A\$9.0m
- ~4.2x FY18F EV/EBITDA multiple and ~3.8x FY19F EV/EBITDA multiple

The institutional placement and Share Purchase Plan (SPP) were both strongly supported and significantly oversubscribed, requiring a large scale back to the \$24m raising. With the close of the placement and SPP, SRG moved to close out the TBS acquisition. We are grateful of the support shown by our existing and new shareholders to assist with funding our growth.

TBS provides SRG with further international geographic expansion and a platform for future growth in New Zealand. Through the acquisition we will significantly enhance our exposure to asset maintenance services and we believe there are significant opportunities to be unlocked with various cross-sell opportunities across both Australia and New Zealand.

When vetting acquisitions, we don't just look at financial, product and service aspects, but also critically assess how we might work together as a whole. We believe TBS is an excellent cultural fit for SRG. Within the TBS business is a highly experienced management team and this acquisition provides new and exciting opportunities for both SRG and TBS employees.

For more information on the deal, please view the Investors \ ASX Announcements section of our website at www.srglimited.com.au. Further background on the services TBS provides is outlined on page 2 of this newsletter.

We look forward to keeping you across the progress we make as we leverage the opportunities from the TBS acquisition.

In late February, SRG announced its half year financial result for the period ending 31 December 2017. The half year ended strongly with the company reporting an underlying EBITDA of \$7.2m together with a fully franked interim dividend of 2 cents per share.

We are making good progress through the Development Phase of our strategy with a particular focus on step change growth in our specialised Civil and Services businesses, operational efficiency in our Mining and Building businesses and portfolio extension in our Products business.

Our international expansion program is building momentum and this investment

NEWS HIGHLIGHTS

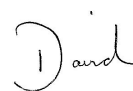
- SRG welcomes TBS Group
- SRG secures civil projects of scale
- New drilling contract for Mining division with Fortescue
- SRG Mining celebrates five year milestone at SMR Whyalla
- SureLok use grows across Building sector
- Works nearing completion at Flinders Street Station
- Ground support works commence at Springbrook
- SRG leading the way in dam anchoring technology

will position us well for the future.

The North America joint venture with Traylor Bros has been well received by the local market with a strong level of interest from engineers and owners in our dam strengthening technology and capability. We will continue to take a disciplined and targeted approach to this exciting opportunity.

We are well positioned to deliver on-going improvement and a positive outcome for our shareholders for the full year of FY18 and into the future as we enter the Market Leadership phase in 2020 and beyond.

As always, thank you for your ongoing support and I look forward to keeping you up to date as we continue to progress through our Strategy and deliver increasing value to our Shareholders.



David MacGeorge

SRG WELCOMES TBS GROUP



Industrial Rope Access

SRG is very pleased to share the news that New Zealand based TBS Group will be joining our global business.

TBS Group (TBS) is a leading New Zealand industrial contractor in asset and infrastructure maintenance services.

Established in 1948, TBS has approximately 450 employees and is headquartered in Auckland with operations throughout New Zealand.

TBS operates via four specialist companies - TBS Farnsworth, TBS Remcon, TBS Coatings and Crow Refractory.



TBS specialist services include:

- Infrastructure maintenance services
- Building maintenance services
- Remedial services
- Protective coatings
- Industrial access solutions (scaffold and rope)
- Refractory services

The purchase of TBS Group is aligned with the Development Phase of SRG's Strategy, in particular, growth in complementary services / markets and selective acquisitions to accelerate growth.

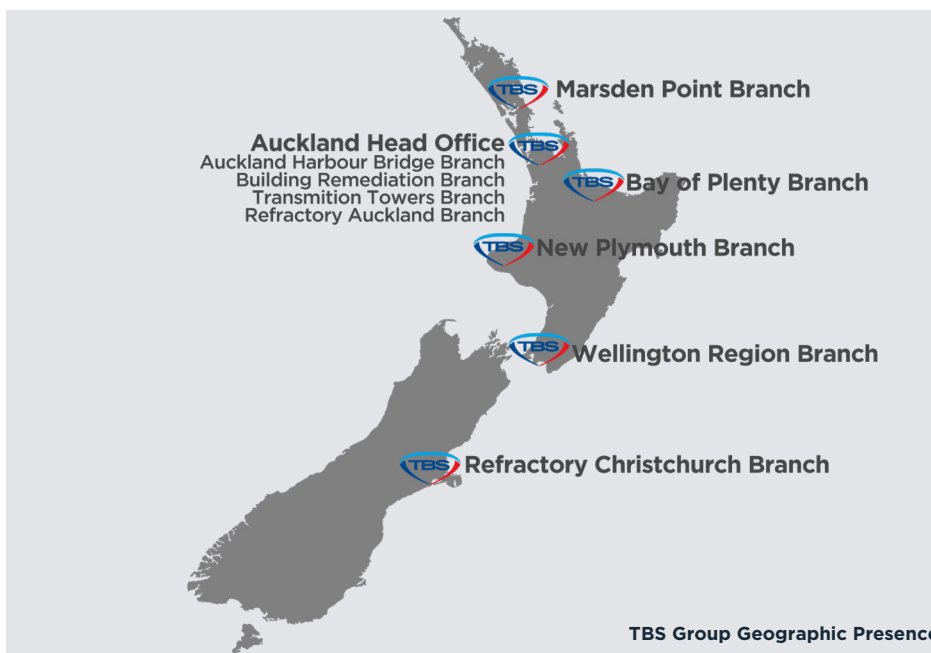
We look forward to an exciting future for both SRG and TBS. ///



Crow Refractory Services



Auckland Harbour Bridge Maintenance Contract



TBS Group Geographic Presence

SRG SECURES CIVIL PROJECTS OF SCALE



Bridge girder being lifted into place over the Margaret River



Bridge girder being lifted into place over the Margaret River

In line with our strategy to grow through scale, SRG Civil is now focused on targeting larger civil projects at the top table and working in partnership with companies like Georgiou Group, WBHO and SNC Lavalin.

SRG's Civil team recently secured a \$43m contract in joint venture with Georgiou Group for the Bolivia Hill upgrade project in New South Wales. Works are also progressing well on a number of major civil bridge projects throughout Australia including the Margaret River Perimeter Road project in Western Australia.

Margaret River Perimeter Road

The Margaret River Perimeter Road project with WBHO is progressing well with 80% of works complete. The picture below shows one of the 86 tonne bridge girders being transported to site through the main street of Margaret River, then pictured left and above is the bridge girder being lifted into place.

The aim of this project is to provide an alternative route for heavy vehicles around the town of Margaret River with the purpose of reducing congestion and enhancing safety for pedestrians and local traffic in this commercial and tourist precinct.

SRG is responsible for the construction of two bridge structures over the Margaret River as part of the Margaret River Perimeter Road which is 7km long and extends from the Airport Access Road north of the Margaret River, linking back to the Bussell Highway south of Margaret River.

This project is scheduled for completion mid 2018. ///



Transportation of 86t bridge girder through Margaret River town centre, WA

DRILLING WORKS COMMENCE AT CLOUDBREAK MINE IN WA

SRG's Mining team has recently been awarded a new drilling contract at Cloudbreak mine in WA with Fortescue Metals Group (Fortescue).

Fortescue's Cloudbreak mine is an iron ore mine located in the Pilbara region of Western Australia.

SRG has mobilised equipment and crew to site and commenced drilling works.

Well done to the drill and blast team for securing this new contract. ///

Cloudbreak Mine WA Image courtesy of www.fmgj.com.au

SRG MINING GOING STRONG FIVE YEARS ON AT SMR IN WHYALLA



SRG's crew at SMR in Whyalla

SRG's Mining team at South Middleback Ranges (SMR) in Whyalla recently celebrated a five year milestone on the project.

SRG first commenced on site at SMR in November 2012. Starting with a crew of around 30, this project has seen over 80 employees work for SRG on site over the last five years with a large number of dedicated, long-standing employees.

SMR is located 60km north-west of Whyalla which is approximately 400kms north-west of Adelaide.

The Middleback Ranges has been the site of continuous iron ore mining for

more than 100 years, playing a key role in the development of the nearby region.

SRG secured a long-term agreement with BGC Contracting Pty Ltd in mid 2017 to extend the terms of our drill and blast operations at both SMR and also the Iron Knob mine site.

Iron Knob is located 50km north of Whyalla, with SRG commencing works on site 12 months after that at SMR.

The works under the five year agreement are expected to generate revenues of approximately \$100M across the period.

This agreement further reinforces our strong working relationship with BGC Contracting. Congratulations to all those who have just reached their five year milestone at SMR as well as everyone involved on both of these projects. ///

SURELOK USE GROWS ACROSS BUILDING SECTOR



The Eastbourne, East Melbourne VIC

SRG's Building division is seeing an increase in our own product SureLok being specified into designs for slab post-tensioning works.

SRG's Building team is seeing a large increase in the number of SureLoks being specified within building post-tensioning slab designs.

A significant number of recent building projects have been won not only because of our post-tensioning capability, but also due to our ability to supply and install SRG's SureLok Slab-to-Slab units.

One of the projects in which SRG Building is currently undertaking the supply, installation, stressing and grouting of post-tensioning, as well as the supply and installation of SureLoks is on Mirvac's 'The Eastbourne' in East Melbourne.

The Eastbourne is a multi-storey residential and office development located on Albert Street in East Melbourne.

The 12 level luxury apartment building will comprise approximately 250 residences on the doorstep of Fitzroy Gardens.

SRG was contracted by I & D Group for the supply, installation, stressing and grouting of post-tensioning as well as the supply and installation of approximately 3,500 SureLok Slab-to-Slab units using the newly developed SureLok 200S system.

SureLok has undergone record growth in Australia over the current financial year and this trend is expected to continue through 2018/2019, with exceptional demand from both domestic and international customers. ///

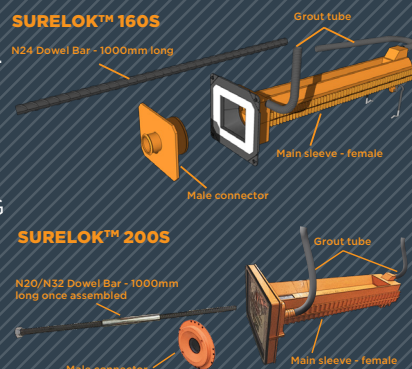
SRG EXPANDS THE SURELOK RANGE OF PRODUCTS FOR SOLUTIONS TO TEMPORARY MOVEMENT JOINTS IN CONSTRUCTION

SureLok is a revolutionary engineered solution for temporary movement joints. The team at SRG has now developed two separate ranges of the SureLok system, the first is for slab to slab connections, the second is for slab to wall connections.

SURELOK SLAB TO SLAB

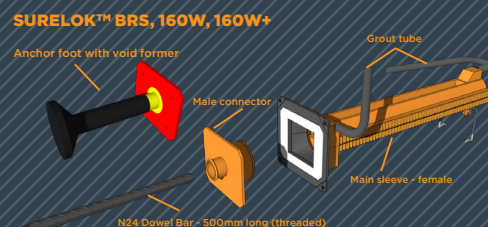
The SureLok slab to slab range encompasses two SureLok products. The SureLok 160S and the SureLok 200S.

The SureLok 160S is a temporary movement joint product for slab to slab connections starting at a minimum slab depth of 160mm. SRG later went on to launch the SureLok 200S which is designed for slab depths of a minimum of 200mm and has been engineered to significantly improve the vertical displacement between slabs.



SURELOK SLAB TO WALL

The SureLok slab to wall range encompasses three SureLok products. The SureLok 160W, the SureLok 160W+ and the SureLok BRS (Basement Retention System). All three products are designed to provide a temporary movement joint between a wall and slab and eliminate the requirement for pour strips.



The SureLok 160W is used on applications where the anchor can be fixed inside the wall cavity and positioned and secured by local reinforcement or is set into a precast wall.

The SureLok 160W+ is used in applications where the anchor is attached to the inside of the shutter by way of the void former.

The SureLok BRS is used for basement applications where the walls are formed using shotcrete.

WORKS NEARING COMPLETION AT FLINDERS STREET STATION



Flinders Street Station in Melbourne's CBD

The iconic Flinders Street Station in Melbourne has been getting a new lease on life from our Services team which has been undertaking refurbishment works on the 100 year old structure over the past twelve months.

As part of the Victorian Government's \$100 million program to repair Melbourne's iconic Flinders Street Station, SRG has been working with Built Pty Ltd to refurbish the Station's heritage-listed administration building.

PROJECT HISTORY

More than 100 years old, the building required urgent restoration and maintenance to conserve its heritage elements for future generations. Situated in the heart of Melbourne's CBD, the building is listed on the Victorian Heritage Act and the National Trust.

SRG'S INVOLVEMENT

SRG's scope on this project includes facade refurbishment with a combination of repair types. As the largest contractor on site, SRG had up to 54 remedial technicians and subcontractors performing a very complex and varied scope. Kilometres of brick repointing was carried out in a number of aesthetic finishes to match the existing surrounding finish. This included tuck pointing to the main facade and other feature areas of the building, including the clock tower.

Our scope also included repair of all

heritage mouldings which were cast insitu, again in an array of shapes and sizes and render repairs.

Structural strengthening of brickwork was completed with kilometres of helibar (a stainless steel strengthening bar) inserted into the mortar lines across cracks in the brickwork. Areas too dilapidated required localised demolition and rebuilding of brickwork, this included protruding corners of the building where temporary propping needed to be installed to support the building structure above.

Other areas demolished and rebuilt included where doors had been moved since the original construction. These doors were relocated back to their original locations to restore the heritage value of the building.

Our work also included the seismic strengthening of the clock tower. With SRG's input the design was changed from stressbars, which were going to be heavy and costly due to the amount of couplers required, to sheathed strand in the form of the Cona system supplied by BBR.

SRG's works commenced in March 2017 and are due for completion in May 2018. ///



Restoration of one of the heritage features



SRG Remedial Technicians on site

GROUND SUPPORT WORKS COMMENCE AT SPRINGBROOK



Ground support works underway at Springbrook

SRG's Geotech team has recently commenced ground support works in Springbrook, Queensland, following the rainfall event associated with Severe Tropical Cyclone (STC) Debbie in March 2017.

STC Debbie caused extensive damage across Queensland including Springbrook National Park located in the Gold Coast Hinterland. The damage resulted in a 10-kilometre section of Gold Coast-Springbrook Road being closed to traffic until reconstruction works are carried out.

Work commenced in late January 2018 and includes minimising the potential of erosion and loss of sediment to the local waterways and ultimately reinstating access to the road. The installation of anchors and soil nails, gabion walls, rockfall netting and shotcreting is also required at 53 critical sites (18 major and 35 minor) to stabilise the slopes above and below the road.

Eligible works will be jointly funded by the Commonwealth and Queensland Governments under the Natural Disaster Relief and Recovery Arrangements (NDRRA). ///

SRG LEADING THE WAY IN DAM ANCHORING TECHNOLOGY



Keepit Dam, NSW

WHAT IS DAM ANCHORING?

Dam anchoring is a solution for upgrading dam structures through the installation of permanent ground anchors.

Anchoring can be used when a dam is extended, to provide more storage, or to bring a structure up to current standards.

BENEFITS OF DAM ANCHORING?

Dam anchoring enables safety to be increased and certainty of performance during floods or earthquakes where massive loads could potentially lead to dam failure with immense community cost and possible loss of life. An anchored solution is usually the most cost effective option to use when upgrading a dam and is generally undertaken in shorter construction period with limited to no visual change to the dam, so it is ideal from aesthetic / heritage perspective.

DAM ANCHORING TECHNOLOGY

SRG is an industry leader and innovator in the specialist field of high capacity anchors and has developed and installed dam anchors over 142m in length. SRG has developed in-house solutions to cover the full spectrum of load capacities and length as well as robust corrosion protection solutions.

DAM ANCHORING EXPERIENCE

SRG is a leader in the design, manufacture, drilling, installation, stressing and grouting of high capacity ground anchors for dams.

Our achievements in permanent anchoring to dam structures are unsurpassed and we have an extensive portfolio of projects where thousands of high capacity anchors have been installed into many dam structures.

MONITORABLE DAM ANCHORS

SRG also has the equipment and expertise to monitor existing dam anchors to determine if anchors are performing to required loads. Generally, anchors will be monitored two years after the initial installation then every five years thereafter.

RE-STRESSABLE DAM ANCHORS

SRG's permanent dam anchors typically have the ability to re-stress post construction. Re-stressing is done with small portable equipment adjusting each strand to a specified load, and verified when complete using a load monitoring device.

CURRENT MAJOR PROJECTS?

SRG is currently actively installing dam anchors on two major projects:

- Hazelmere Dam South Africa
- Keepit Dam New South Wales ///

SRG TARGETS DAM WORKS IN THE US

Our International team has been working hard establishing SRG in the US to begin targeting dam strengthening projects under our Traylor SRG Joint Venture.

Following on from the execution of a Joint Venture agreement with Traylor Bros., Inc. (Traylor Bros) in September last year, the international team has been focused on establishing the company, developing the Traylor SRG brand and engaging with leading dam owners and consultants throughout the US. The team has undertaken a statewide roadshow and attended conferences raising our profile, with our offering being very well received.

SRG's General Manager Business Development, Kim Boyd, has relocated to California to continue marketing Traylor SRG and lead the work winning alongside key members from Traylor Bros. ///



SRG's General Manager, Business Development, Kim Boyd exhibiting at a conference in the US

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