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## **E&A Limited Acquires Tasman Power Group**

E&A Limited (EAL) is pleased to advise it has signed an agreement to acquire 100% of the issued share capital of the Tasman Power Group (**Tasman Power**), for a purchase consideration of up to \$12.05 million, contingent on the achievement of certain earn-out targets.

Tasman Power represents an outstanding opportunity for EAL to acquire a well established electrical contracting business, while also providing a foundation for further expansion into related market segments and additional geographic regions.

Tasman Power is a Western Australian based business which specialises in providing complete electrical and instrumentation installation solutions. Tasman Power generates revenue from shut-down maintenance, programmed maintenance and upgrades to existing sites and green-field projects. EAL considers that Tasman Power's key assets are its management team, its 'safety first' culture and its excellent safety record, each of which are complementary to the policies and achievements of the EAL Group.

Tasman Power has been strongly led since inception by Mr Jason Pryde and Mr Mark McDonnell.

EAL is delighted that Mr Jason Pryde has agreed to continue in his role as Managing Director and has entered into a 5-year Employment Agreement to ensure the continued success of Tasman Power. Mr Mark McDonnell has also agreed to continue as an executive director in his current role as Operations Manager.

Mr Pryde said that 'On behalf of the Directors and management team of Tasman Power, we're excited to be able to continue our growth aspirations with the additional support and expertise provided by E&A Limited'.

EAL expect the integration of Tasman Power into the EAL Group to be relatively seamless as a result of the outstanding culture developed at Tasman Power, led by Mr Pryde and Mr McDonnell.

The acquisition will be financed through a combination of the issue of 4,128,120 EAL shares to the vendors, cash and bank debt.

EAL believes the key benefits of the acquisition include:

- Acquisition meets EAL's disciplined acquisition criteria, with valuation parameters of equal to or less than 5 times Earnings Before Interest and Tax (**EBIT**);
- Acquisition forecast to be immediately Earnings Per Share (**EPS**) accretive for EAL, based on a full year contribution;
- Meets EAL's targeted Return on Assets (**ROA**) benchmark of 20%;
- Provides further geographical exposure to Western Australia and in particular the Pilbara region;
- Diversified revenue streams from large blue-chip mining clients;
- Consistent and predictable cashflows;
- Retention of the existing management team;
- Potential synergistic benefits are expected to be achieved in time with other EAL Group members; and
- The business services and operations are within the existing expertise of the E&A Group.

Mr Stephen Young, Executive Chairman of EAL, said that 'The acquisition of Tasman Power provides the opportunity for EAL to further expand its geographic footprint in Western Australia through the acquisition of a quality business, with a proven management team and a blue-chip customer base'.

Completion is scheduled to occur on 28 October 2014.

For further information:

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Executive Chairman

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