E&A Limited

Independent Expert's Report and Financial Services Guide

30 October 2015

Grant Thornton Corporate Finance Pty Ltd
ABN 59 003 265 987
AFSL 247140

Level 19
2 Market Street
Sydney NSW 2000
PO Locked Bag Q800
QVB Post Office
Sydney NSW 1230
T + 61 2 8297 2400
F + 61 2 9299 4445
E info@gtnsw.com.au
W www.grantthornton.com.au

The Directors
E&A Limited
Level 27
91 King William Street
ADELAIDE SOUTH AUSTRALIA 5000

30 October 2015

Dear Directors

Introduction

E&A Limited ("EAL" or the "Company") is an Australian public company listed on the Australian Securities Exchange ("ASX"). EAL through its wholly owned subsidiaries provides engineering and maintenance services to businesses operating in the oil and gas, mining and resources, water, defence and infrastructure industries. As at 30 October 2015, EAL had a market capitalisation of approximately A$22 million.

On 1 September 2015, EAL announced that it had entered into a funding agreement dated 31 August 2015 ("Funding Agreement") with LIM Opportunistic Credit Master Fund, a fund managed by LIM Advisors Limited (collectively referred to as "LIM") to provide EAL with a secured convertible loan facility of up to US$10 million ("the Loan Facility"). The Loan Facility provides LIM with rights to convert loan advances plus capitalised and unpaid interest ("Conversion Rights") into ordinary voting shares in EAL ("EAL Shares") up to 31 August 2017. The Loan Facility bears interest of 20% per annum[1].

The Loan Facility is intended to provide the Company with the funding necessary to legally pursue its outstanding contract claims against third parties and to support the Company's working capital requirements.

Proposed Conversion

Under the terms of the Loan Facility, LIM has agreed to provide the following loan advances to EAL:

- First advance of US$6.0 million which is convertible into EAL Shares at A$0.18 per share ("First Advance"). As at the date of this report, the First Advance has been drawn down by EAL.

[1] Which consists of 10% cash interest per annum and 10% payment in kind interest per annum.

- Second advance of US$4.0 million which in convertible into EAL Shares at A$0.25 per share ("Second Advance"). The Second Advance is subject to LIM's discretion.

The number of EAL Shares to be issued to LIM upon the conversion of the First Advance and Second Advance is dependent on:

- The timing of the draw down of the Second Advance[2].

- The Loan Facility balance at the time of conversion.

- The US$ to A$ exchange rate at the time of conversion.

For illustrative purposes based on the current foreign exchange rate of US$1.00 = A$ 0.7121 as at 28 October 2015 and assuming full conversion of the loan facility at maturity, LIM will hold up to 37.83% of the voting rights in EAL ("Proposed Conversion"). A sensitivity table of the changes in LIM's interest in the Company in conjunction with exchange rates is set out in Section 1.4.

The directors of EAL ("the Directors") unanimously recommend that the shareholders of EAL ("EAL Shareholders") vote in favour of the Proposed Conversion. Following discussions with ASIC, Mr Young and Mr Vartuli, directors of EAL who collectively hold 56.85% of the issued capital of EAL have agreed to abstain from voting any shares they own or control in relation to the Proposed Conversion.

Purpose of the report

The Directors have engaged Grant Thornton Corporate Finance Pty Ltd ("Grant Thornton Corporate Finance") to prepare an independent expert's report stating whether, in its opinion, the Proposed Conversion is fair and reasonable to the EAL Shareholders not associated with LIM ("Non-Associated Shareholders") for the purposes of Item 7 of Section 611 of the Corporations Act.

Summary of opinion

Grant Thornton Corporate Finance has concluded that the Proposed Conversion is NOT FAIR BUT REASONABLE to the Non-Associated Shareholders.

In forming our opinion, Grant Thornton Corporate Finance has considered whether the Proposed Conversion is fair and reasonable to the Non-Associated Shareholders and other quantitative and qualitative considerations.

Fairness Assessment

In forming our opinion in relation to the fairness of the Proposed Conversion to the EAL Shareholders, Grant Thornton Corporate Finance has compared the value per EAL Share before the Proposed Conversion (on a control basis) to the assessed value per EAL Share after approval of the Proposed Conversion (on a minority basis).

[2] It is possible that the Second Advance may not be drawn down by EAL.

Grant Thornton
An instinct for growth™

The following table summarises our assessment:

Fairness assessment A$ per share	Section Reference	Low	High
Fair market value per EAL share before the Proposed Conversion (control basis)	*6.1*	0.181	0.224
Fair market value per EAL share after the Proposed Conversion (minority basis)	*7.0*	0.110	0.177
Increase/ (decrease) in value of EAL Share (cents)		***(0.071)***	***(0.047)***
Increase/ (decrease) in value of EAL Share (%)		***-39.1%***	***-21.0%***

Source: Grant Thornton Corporate Finance Calculations

The fair market value per EAL Share on a minority basis after approval of the Proposed Conversion is lower than the fair market value per EAL Share before the Proposed Conversion on a control basis. Accordingly, we have concluded that the Proposed Conversion is **NOT FAIR** to the Non-Associated Shareholders.

Non-Associated Shareholders should be aware that our assessment of the value per EAL Share does not reflect the price at which EAL Shares will trade if the Proposed Conversion is approved. The price at which EAL Shares will ultimately trade depends on a range of factors including the liquidity of EAL Shares, EAL's cash position, macro-economic conditions, outlook for the mining and resources industry, exchange rate and the underlying performance of EAL's business.

Reasonableness Assessment

RG111 establishes that an offer is reasonable if it is fair. It might also be reasonable if, despite being not fair, there are sufficient reasons for the security holders to accept the offer in the absence of any superior proposal. In assessing the reasonableness of approving the Proposed Conversion, we have considered the following advantages, disadvantages and other factors.

Advantages

Funding requirements

The First Advance and Second Advance under the Loan Facility are required by the Company for ongoing working capital purposes and in order to pursue and maximise recovery in respect of the Company's current contract claims.

In support and as a condition of the Loan Facility provided by LIM, the National Australia Bank has converted A$31 million of EAL's existing finance facilities from current to long-term borrowings thereby improving EAL's financial position.

The Directors have advised that the Loan Facility was the most cost effective and time efficient option to provide working capital for the Company as alternative funding options including debt and equity capital raising were not feasible.

Grant Thornton
An instinct for growth™

Additional funding under the Loan Facility

Under the terms of the Loan Facility, the Company will be able to draw on the Second Advance at LIM's discretion of US$4 million to fund legal costs in relation to outstanding contract claims against third parties and to support working capital requirements. As at 30 June 2015, EAL had a cash balance of A$1.6 million and its current liabilities which was subsequently rectified with EAL's senior lenders agreeing to extend finance terms.

If the Proposed Conversion is not approved by EAL Shareholders, the First Advance of US$6.0 million may become immediately repayable and the Second Advance of $US4.0 million may not be made available to EAL. As a result, EAL will be required to seek alternative sources of funding, which may be challenging or may be available at terms that are more dilutive to EAL Shareholders. As discussed above, the Directors have considered a number of other capital raising alternatives including debt and equity funding and they consider the Loan Facility the most cost effective and time efficient option.

Going concern

As set out in the Company's 2015 annual report and the auditor's report attached to the financial statements, if the Proposed Conversion is not approved and an alternative funding transaction cannot be secured in the short term, there is material uncertainty about whether EAL will continue as a going concern.

The conversion price of the First Advance and Second Advance

- The conversion price of A$0.18 for the First Advance is at a premium of 27.7% to the volume weighted average price ("VWAP") of A$0.141 based on the period since the announcement of the Proposed Conversion on 1 September 2015 to 30 October 2015 (i.e. 60 day period).

- The conversion price of A$0.25 for the Second Advance is at a premium of 77.3% to the VWAP of A$0.141 based on the period since the announcement of the Proposed Conversion on 1 September 2015 to 30 October 2015.

Whilst it is unlikely that LIM will exercise it Conversion Rights in the short term, the Proposed Conversion is at a material premium to the trading prices before the announcement.

Valuation assessment of EAL on a full control basis

Our valuation assessment of EAL before the Proposed Conversion is on a 100% basis and incorporates the application of a full premium for control in accordance with the requirements of RG111.

However, we note that if the Proposed Conversion is approved and LIM exercise its Conversion Rights, LIM will hold up to 37.83% of the enlarged share capital[3]. This represents a significant interest, however LIM will not have full control of the Company. In addition, LIM indicated that it has no current intention of making changes to the business of the Company or make changes to the

[3] Based on exchange rate of US$1.00 = 0.7121 as at 28 October 2015.

future employment level or management team.

Strategic alliance with LIM

The Loan Facility has allowed EAL to build a relationship with LIM providing an opportunity for future working capital support if required and allows EAL to collaborate on potential future value adding opportunities with LIM who are looking to increase their exposure to Australian mining services businesses[4]. LIM may assist with future capital raisings or provide EAL with access to alternative sources of capital that may otherwise not be available to EAL.

Disadvantages

The Proposed Conversion is not fair

The Proposed Conversion is not fair as set out above.

Dilution from the EAL Shares issued to LIM upon conversion of the First Advance and Second Advance

LIM's shareholding in EAL has the potential to increase from nil to 37.83%[5] if it decides to fully exercise its Conversion Rights. As a result, the shareholding of the EAL Shareholders will be diluted from 100% to 62.17%.

Increased significant influence over the Company

Whilst LIM will not acquire a full controlling interest in EAL as a result of the Proposed Conversion, LIM will have the ability to significantly increase its influence over the affairs of the Company as the single largest shareholder of EAL after the implementation of the Proposed Conversion. We note however, that LIM is a financial investor and will seek to maximise its investment and exit at some point in the future as part of its investment objectives. As a result LIM's objectives may therefore be broadly in line with other EAL Shareholders.

Likelihood of receiving a takeover offer in the future

In our opinion, if the Proposed Conversion is approved the likelihood of the Company receiving a takeover offer without the agreement of LIM will diminish as LIM may hold a 37.83% interest in the enlarged issued capital of the Company. LIM will also have the capacity to block any potential takeover bid of EAL. LIM will consider its own interests in such situations and potentially such considerations may be different to the EAL Shareholders. We note however, that LIM is a financial investor and will seek to exit its investment in EAL at some point in the future as part of its investment objectives.

[4] Australian Financial Review dated 14 August 2015.
[5] Based on exchange rate of US$1.00 = 0.7121 as at 28 October 2015.

Interest on the Loan Facility

The Loan Facility carries a cash interest of 10% per annum which accrues on a daily basis and is payable quarterly. Given the cash requirements of the Company, the cash interest may place additional strain on the cash flows of EAL.

Other factors

The EAL Shareholders' position if the Proposed Conversion is not approved

If the Proposed Conversion is not approved, it would be the Directors' intention to undertake capital raising activities to fund the legal contract claims against third parties and working capital requirements. It is not known and highly uncertain in the current financial market if the Company will be able to complete the capital raising in a limited period of time and at what price.

Potential for LIM not to convert First Advance or Second Advance

There is a possibility that LIM may choose not to exercise its Conversion Rights. In this scenario, there will be no dilution of the EAL Shareholders voting rights and LIM would receive their drawn loan advances and capitalised interest returned for the period the loan amounts are drawn by the EAL.

Reasonableness conclusion

Based on the qualitative factors set out above, it is our opinion that the Proposed Conversion is **REASONABLE** to the Non-Associated Shareholders.

Overall conclusion

After considering the abovementioned quantitative and qualitative factors, Grant Thornton Corporate Finance has concluded that the Proposed Conversion is **NOT FAIR BUT REASONABLE** to the Non-Associated Shareholders.

Other matters

Grant Thornton Corporate Finance has prepared a Financial Services Guide in accordance with the Corporations Act. The Financial Services Guide is set out in the following section.

The decision of whether or not to accept the Proposed Conversion is a matter for each EAL Shareholder to decide based on their own views of value of EAL and expectations about future market conditions, EAL's performance, risk profile and investment strategy. If EAL Shareholders are in doubt about the action they should take in relation to the Proposed Conversion, they should seek their own professional advice.

Yours faithfully
GRANT THORNTON CORPORATE FINANCE PTY LTD

ANDREA DE CIAN
Partner

PHILLIP RUNDLE
Partner

30 October 2015

Financial Services Guide

1 Grant Thornton Corporate Finance Pty Ltd

Grant Thornton Corporate Finance carries on a business, and has a registered office, at Level 17, 383 Kent Street, Sydney NSW 2000. Grant Thornton Corporate Finance holds Australian Financial Services Licence No 247140 authorising it to provide financial product advice in relation to securities and superannuation funds to wholesale and retail clients.

Grant Thornton Corporate Finance has been engaged by EAL to provide general financial product advice in the form of an independent expert's report in relation to the Proposed Conversion. This report is included in EAL's Notice of Meeting and Explanatory Memorandum.

2 Financial Services Guide

This Financial Services Guide ("FSG") has been prepared in accordance with the Corporations Act, 2001 and provides important information to help retail clients make a decision as to their use of general financial product advice in a report, the services we offer, information about us, our dispute resolution process and how we are remunerated.

3 General financial product advice

In our report we provide general financial product advice. The advice in a report does not take into account your personal objectives, financial situation or needs.

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal retail financial product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

4 Remuneration

When providing the Report, Grant Thornton Corporate Finance's client is the Company. Grant Thornton Corporate Finance receives its remuneration from the Company. In respect of the Report, Grant Thornton Corporate Finance will receive from EAL a fixed fee plus GST, which is based on commercial rate plus reimbursement of out-of-pocket expenses for the preparation of the report. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority.

Except for the fees referred to above, no related body corporate of Grant Thornton Corporate Finance, or any of the directors or employees of Grant Thornton Corporate Finance or any of those related bodies or any associate receives any other remuneration or other benefit attributable to the preparation of and provision of this report.

5 Independence

Grant Thornton Corporate Finance is required to be independent of EAL in order to provide this report. The guidelines for independence in the preparation of independent expert's reports are set out in Regulatory Guide 112 *Independence of expert* issued by the Australian Securities and Investments Commission ("ASIC"). The following information in relation to the independence of Grant Thornton Corporate Finance is stated below.

Grant Thornton Corporate Finance and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with EAL *(and associated entities) that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation the Proposed Conversion.*

Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the transaction, other than the preparation of this report.

Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this report. This fee is not contingent on the outcome of the transaction. Grant Thornton Corporate Finance's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this report.

We note that Grant Thornton Australia Limited provides taxation services for compliance purposes to the EAL and its subsidiaries.

In our opinion, the above engagement does not impact on our ability to provide an independent and unbiased opinion in the context of the Proposed Conversion.

Grant Thornton Corporate Finance considers itself to be independent in terms of Regulatory Guide 112 "Independence of expert" issued by the ASIC."

6 Complaints process

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Financial Ombudsman Service (membership no. 11800). All complaints must be in writing and addressed to the Chief Executive Officer at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service who can be contacted at:

PO Box 579 – Collins Street West
Melbourne, VIC 8007
Telephone: 1800 335 405

Grant Thornton Corporate Finance is only responsible for this report and FSG. Complaints or questions about the General Meeting should not be directed to Grant Thornton Corporate Finance. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

Compensation arrangements

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

Contents

Grant Thornton
An instinct for growth™

1 Outline of the Proposed Conversion

1.1 Terms of the Funding Agreement

Under the terms of the Funding Agreement, LIM has agreed to provide the following:

- A US$10 million loan facility by way of two separate advances as set out below:
  - First Advance for a principal amount of US$6 million which has already been drawn down by EAL.
  - Second Advance for a principal amount of US$4 million which can be drawn down by EAL at LIM's discretion.
- Cash interest of 10% per annum payable annually in advance on the drawn amount.
- Payment in Kind ("PIK") interest of 10% per annum capitalised on a quarterly basis in arrears.
- The Loan Facility has an expiry date of 31 August 2017 being 24 months from the date of the Funding Agreement.
- The Loan Facility has a second ranking security over:
  - EAL and its subsidiaries.
  - Real property mortgage over land at EAL's facility based in Whyalla.
- The principal amount of the First Advance and Second Advance (if drawn) together with all accrued unpaid interest is to be redeemed and repaid on expiry of the Loan Facility unless it is converted into EAL Shares by LIM. In the event that EAL is unable to repay the amounts due to LIM and LIM has not exercised its Conversion Rights, EAL would be in default under the Loan Facility. As a result, EAL does not have the right to force conversion.
- EAL is also permitted to make early repayments under the Funding Agreement as and when it resolves contract claims against third parties.
- LIM has Conversion Rights which enable it to convert the principal and accrued interest into EAL Shares. While LIM has Conversion Rights it does not have an obligation to convert the advances into EAL Shares. Further details for the Conversion Rights are set out in the section below:

1.2 Conversion Rights

Under the terms of the Funding Agreement, LIM has the right to convert the First Advance and Second Advance into EAL Shares. The price at which the Advances convert ("Conversion Price") is set out below:

- First Advance is convertible at A$0.18.

Grant Thornton
An instinct for growth™

- Second Advance is convertible at A$0.25.

The Conversion Rights are exercisable by LIM at the Conversion Price:

- By giving notice to EAL upon receipt of any repayment notice from EAL. A repayment notice must be provided by EAL to LIM at least 90 days prior to making the repayment.

- By giving notice to EAL no earlier than one month before the expiry of the Loan Facility.

- At any time before 30 September 2016 in respect of principal amounts which have been repaid or prepaid by the Company at any time before that date.

1.3 Conditions subsequent

Clause 12.6a(v) of the Funding Agreement required the notice of meeting for the Proposed Conversion to contain an unanimous recommendation from the Directors of EAL to vote in favour of the Proposed Conversion, together with a statement that they will vote in favour of the Proposed Conversion in respect of EAL Shares they own or control, in the absence of a superior proposal.

Mr Young and Mr Vartuli, directors of EAL entered into an agreement with LIM to vote in favour of the Proposed Conversion in respect to 10% of the EAL Shares they hold ("Deed Poll"). The Deed Poll has subsequently been terminated by LIM following discussions with ASIC over their concern that LIM may be in contravention of the takeover and substantial shareholder provisions under the Corporation Act as a result of entering into the Deed Poll. Following discussions with ASIC, the Company and LIM have agreed to the following:

- LIM has released Mr Young and Mr Vartuli from their respective obligations under the Deed Poll by terminating the Deed Poll.

- LIM has deleted the condition precedent in the Funding Agreement requiring Mr Young and Mr Vartuli to sign the Deed Poll.

- LIM has amended clause 12.6(a)(v) of the Funding Agreement to remove the obligation on the directors of the Company to vote in favour of the resolutions relating to LIM in the absence of a superior proposal.

- LIM has lodged a notice of initial substantial holder and notice of ceasing to be a substantial holder notice with ASX in respect of a relevant interest in 20% of the Company under the Deed Poll.

Refer to section 3.3.6 of the Notice of Meeting and Explanatory Memorandum for further details.

Mr Young and Mr Vartuli who collectively hold 56.85% of the issued capital of EAL have advised the Company that they have agreed to abstain from voting any shares they own or control in relation to the Proposed Conversion.

Grant Thornton
An instinct for growth™

1.4 Effects of the Proposed Conversion

If the Proposed Conversion is approved by the EAL Shareholders:

- LIM will have the right to convert the First Advance into EAL Shares upon the receipt of a repayment notice from EAL.
- If EAL draws down on the Second Advance, LIM will have the right to convert the Second Advance into EAL Shares upon the receipt of a repayment notice from EAL. The Second Advance is at LIM's discretion.
- The number EAL Shares to be issued to LIM upon the conversion of the First Advance and Second Advance is dependent on:
  - The timing of the draw down of the First and Second Advance[6].
  - Any partial or full repayment at the expiry of the Loan Facility.
  - The US$ to A$ exchange rate at the time of conversion.
- For illustrative purposes, the Company has calculated that LIM may increase its equity interest in EAL in the range of 36.62% and 41.94% resulting from LIM exercising its Conversion Rights as set out in the table below:

	Scenario 1 US$/A$ 0.60	Scenario 2 US$/A$ 0.65	Scenario 3 US$/A$ 0.70	Scenario 4 US$/A$ 0.75
First Advance - US$6 million				
Conversion amount (A$)	12,122,341	11,189,853	10,390,578	9,697,873
Conversion price (A$)	0.18	0.18	0.18	0.18
Maximum number of Shares which may be issued	67,346,340	62,165,853	57,725,435	53,877,072
Second Advance - US$4 million				
Conversion amount (A$)[2]	7,884,976	7,278,440	6,758,551	6,307,981
Conversion price (A$)	0.25	0.25	0.25	0.25
Maximum number of Shares which may be issued	31,539,906	29,113,759	27,034,205	25,231,925
Total Conversion Rights				
Estimated maximum Shares obtainable by LIM	98,886,246	91,279,612	84,759,640	79,108,997
Estimated maximum voting power obtainable by LIM	41.94%	40.00%	38.24%	36.62%

Note (1): Conversion amount in A$ represents advance amount of US$6 million and capitalising interest of US$1.3 million at scenario exchange rate
Note (2): Conversion amount in A$ represents advance amount of US$4 million and capitalising interest of US$0.7 million at scenario exchange rate
Source: Management

This calculation assumes:

- That the Second Advance will be fully drawn down on 1 December 2015.
- That neither the First nor Second Advance has been partially or fully paid at the expiry of the Loan Facility.

[6] It is possible that the Second Advance may not be drawn down by EAL.

  - An exchange rate between US$/A$ of A$0.60 and A$0.75.

- Mangement of EAL have advised that they do not anticipate any changes to the directors or management of EAL as a result of the Proposed Conversion.

Under the terms of the Funding Agreement, EAL must obtain shareholders' approval for the Proposed Conversion. In the event that the Proposed Conversion is not approved by Non-Associated Shareholders, EAL will be in breach of the terms of the Loan Agreement and LIM will have the right to terminate the Funding Agreement.

2 Purpose and scope of the report

2.1 Purpose

Section 606 of the Corporations Act prohibits the acquisition of a relevant interest in the issued voting shares of a company if the acquisition results in the person's voting power in the company increasing from either below 20% to more than 20%, or from a starting point between 20% and 90%, without making an offer to all shareholders of the company.

Item 7 of Section 611 of the Corporations Act allows the shareholders not associated with the acquiring company (i.e. the Non-Associated Shareholders) to waive this prohibition by passing a resolution at a general meeting. Regulatory Guide 74 "Acquisitions agreed to by shareholders" ("RG 74") and Regulatory Guide 111 "Content of expert reports" ("RG 111") issued by ASIC set out the view of ASIC on the operation of Item 7 of Section 611 of the Corporations Act.

RG 74 requires that shareholders approving a resolution pursuant to Section 623 of the Corporations Act (the predecessor to Item 7 of Section 611 of the Corporations Act) be provided with a comprehensive analysis of the proposal, including whether or not the proposal is fair and reasonable to the Non-Associated Shareholders. The Directors may satisfy their obligations to provide such an analysis by either:

- Commissioning an independent expert's report; or
- Undertaking a detailed examination of the proposal themselves and preparing a report for the non-associated shareholders.

If the Proposed Conversion is approved, LIM advisors may increase its current shareholding interest in the Company from Nil to 37.83%[7].

Accordingly, the Directors have engaged Grant Thornton Corporate Finance to prepare an independent expert's report stating whether, in its opinion, the Proposed Conversion is fair and reasonable to the Non-Associated Shareholders for the purposes of Item 7 of Section 611 of the Corporations Act.

2.2 Basis of assessment

In preparing our report, Grant Thornton Corporate Finance has had regard to the Regulatory Guides issued by ASIC, particularly RG 111, which states that an issue of shares requiring approval under Item 7 of Section 611 of the Corporations Act should be analysed as if it were a takeover bid. Accordingly, we have assessed the Proposed Conversion with reference to Section 640 of the Corporations Act. RG 111 states that:

- An offer is considered fair if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer. The comparison should be made assuming 100% ownership of the target company irrespective of whether the consideration

[7] Based on current foreign exchange rate of US$1.00 = A$0.7121 as at 28 October 2015 and assuming full conversion of the Loan Facility at maturity.

offered is scrip or cash and without consideration of the percentage holding of the offeror or its associates in the target company.

- An offer is considered reasonable if it is fair. If the offer is not fair it may still be reasonable after considering other significant factors which justify the acceptance of the offer in the absence of a higher bid. ASIC has identified the following factors which an expert might consider when determining whether an offer is reasonable:

  - The offeror's pre-existing entitlement, if any, in the shares of the target company.

  - Other significant shareholding blocks in the target company.

  - The liquidity of the market in the target company's securities.

  - Taxation losses, cash flow or other benefits through achieving 100% ownership of the target company.

  - Any special value of the target company to the offeror, such as particular technology and the potential to write off outstanding loans from the target company.

  - The likely market price if the offer is unsuccessful.

  - The value to an alternative offeror and likelihood of an alternative offer being made.

Grant Thornton Corporate Finance has determined whether the Proposed Conversion is fair to the Non-Associated by comparing the fair market value of EAL Shares before the Proposed Conversion on a 100% control basis with the fair market value of EAL Shares after approval of the Proposed Conversion on a minority basis.

In considering whether the Proposed Conversion is reasonable to the Non-Associated Shareholders, we have considered a number of factors, including:

- Whether the Proposed Conversion is fair.

- The implications to EAL and the Non-Associated Shareholders if the Proposed Conversion is not approved.

- Other likely advantages and disadvantages associated with the Proposed Conversion as required by RG111.

- Other costs and risks associated with the Proposed Conversion that could potentially affect the Non-Associated Shareholders.

Grant Thornton
An instinct for growth™

2.3 Independence

Prior to accepting this engagement, Grant Thornton Corporate Finance considered its independence with respect to the Proposed Conversion with reference to the ASIC Regulatory Guide 112 "Independence of Expert's Reports" ("RG 112").

In this regard, we note that Grant Thornton Australia Limited provides taxation services to EAL and its subsidiaries for compliance purposes. In our opinion, these compliance services do not impact our ability to provide an independent and unbiased opinion in the context of the Proposed Conversion. In our opinion, Grant Thornton Corporate Finance is independent of EAL, its Directors and all other parties involved in the Proposed Conversion.

Grant Thornton Corporate Finance has no involvement with, or interest in, the outcome of the approval of the Proposed Conversion other than that of an independent expert. Grant Thornton Corporate Finance is entitled to receive a fee based on commercial rates and including reimbursement of out-of-pocket expenses for the preparation of this report.

Except for these fees, Grant Thornton Corporate Finance will not be entitled to any other pecuniary or other benefit, whether direct or indirect, in connection with the issuing of this report. The payment of this fee is in no way contingent upon the success or failure of the Proposed Conversion.

2.4 Consent and other matters

Our report is to be read in conjunction with the Notice of Extraordinary General Meeting and Explanatory Memorandum dated on or around November 2015 in which this report is included, and is prepared for the exclusive purpose of assisting the Non-Associated in their consideration of the Proposed Conversions. This report should not be used for any other purpose.

Grant Thornton Corporate Finance consents to the issue of this report in its form and context and consents to its inclusion in the Notice of Extraordinary General Meeting and Explanatory Memorandum.

This report constitutes general financial product advice only and in undertaking our assessment, we have considered the likely impact of the Proposed Conversion to the Non-Associated as a whole. We have not considered the potential impact of the Proposed Conversion on individual Non-Associated. Individual shareholders have different financial circumstances and it is neither practicable nor possible to consider the implications of the Proposed Conversion on individual shareholders.

The decision of whether or not to approve the Proposed Conversion is a matter for each EAL Shareholder based on their own views of value of EAL and expectations about future market conditions, EAL's performance, risk profile and investment strategy. If the Non-Associated are in doubt about the action they should take in relation to the Proposed Conversion, they should seek their own professional advice.

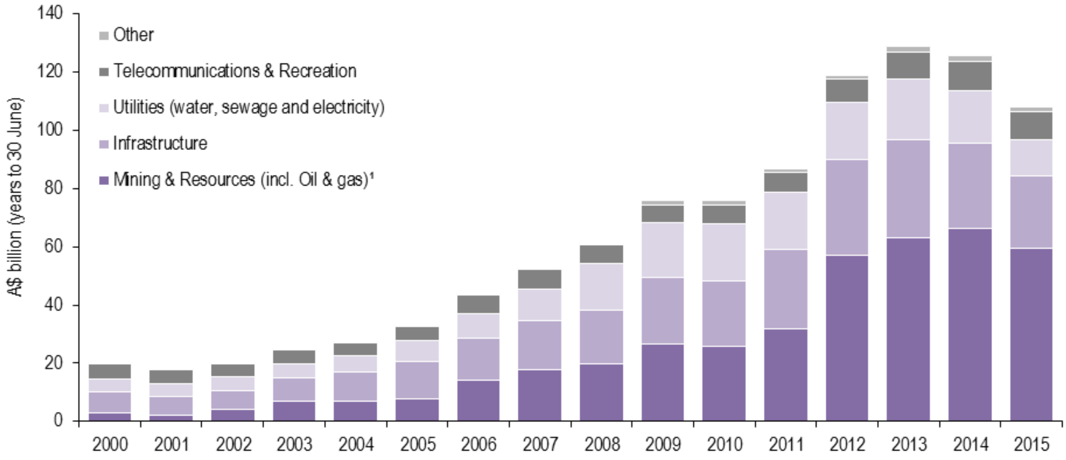
Grant Thornton
An instinct for growth™

3 Profile of the industry

EAL through its wholly owned subsidiaries provides engineering services in Australia, primarily to the mining and resources, water, infrastructure, defence and power and renewable energy industries. As such, we have focused our analysis on these industries.

Demand for engineering services is primarily driven by investment in, and construction of capital goods, as well as the subsequent maintenance required to keep such capital goods operational. The following graph shows historical engineering construction work in Australia, by sector. As can be seen, engineering construction expenditure peaked in 2013 as a result of the mining investment boom, but more recently, has begun to decline at a rapid rate.

Historical Australian engineering construction



Note (1): Includes construction spending on pipelines

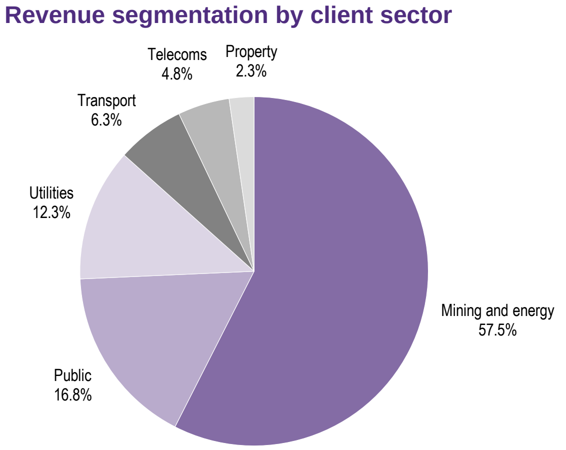
Source: ABS Engineering and Construction Activity, Australia

The Engineering Services industry in Australia is expected to generate revenue of approximately A$41.2 billion in FY15, down 2.1% from the previous year[8]. Revenue in FY16 is also expected to fall due to the continued decline in mining and resources investment. Despite this, revenue is expected to recover from FY17, and over the five years through FY20 is forecast to rise by a CAGR of 2.0% to reach a A$45.5 billion. This increase in revenue will be driven by large-scale oil and gas developments combined with substantial government investment into infrastructure, particularly relating to transport and the National Broadband Network ("NBN")[8].

Approximately 58% of engineering services revenue in FY15 is expected to be generated from mining and energy development companies. A revenue breakdown by sector is set out below.

[8] IBIS World Report – Engineering Consulting in Australia

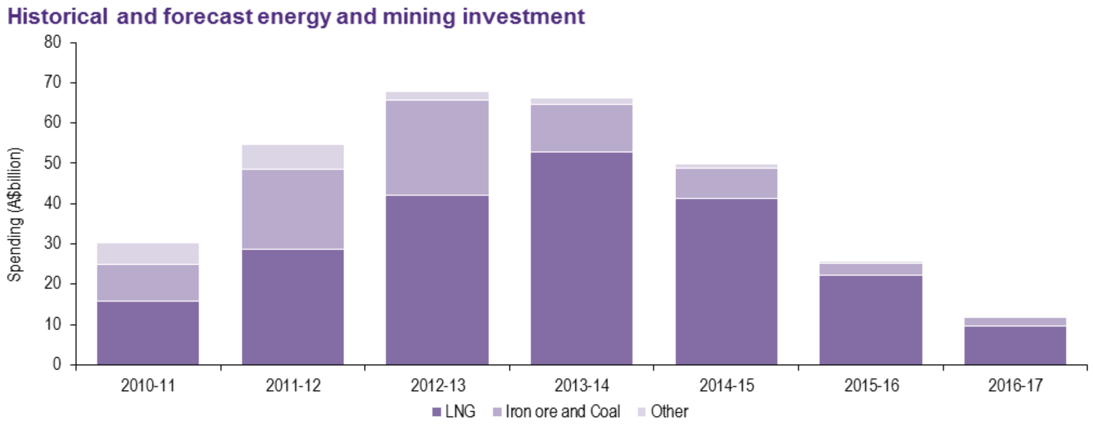
Grant Thornton
An instinct for growth™



Source: IBISWorld Industry Report - Engineering Consultancy Services in Australia

Mining and energy sector

Investment in resources projects peaked in FY13, accounting for approximately 8% of GDP in 2013, which was materially higher than any other previous mining boom. Since then, mining investment has continued to fall and now accounts for approximately 5% of GDP[9]. This decline in mining investment is expected to continue over the next two years as existing developments are completed and construction activities for major liquefied natural gas ("LNG") projects come to an end. Historical and forecast energy and mining investments are outlined in the graph below.



Source: Federal Treasury Budget Statement – Economic Outlook

Treasury's estimate of investment in existing and planned investment in resource projects greater than A$2 billion, weighted by the probability of going ahead

The falling investment in the mining sector has been driven by an oversupply of commodities which has adversely affected commodity prices and hence the commencement of new projects. Despite the forecast declines in investment, the shift towards the production phase of the mining boom is expected to support Australia's growth levels through a substantial increase in exports, particularly from LNG.

---

[9] Minutes of the Monetary Policy Meeting of the Reserve Bank Board, 6 October 2015

Infrastructure sector

The growth in infrastructure spending has increased substantially over the last five years from circa A$23 million in FY09 to A$31 billion in FY15, after peaking in FY13 at A$38 billion. This reflects an increase in government spending on key infrastructure projects primarily relating to transport.

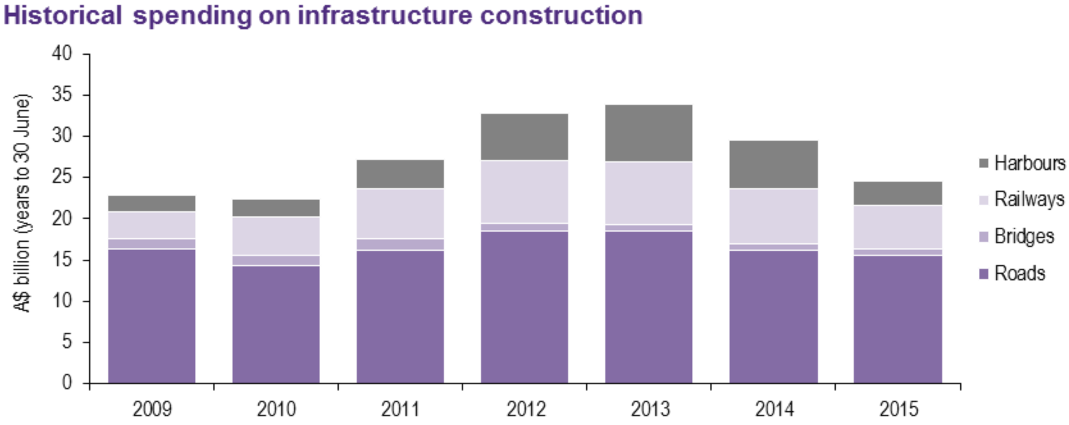
As part of the 2014/15 Federal Budget, the Federal Government established a A$5 billion asset recycling fund (part of the promised A$11.6 billion of funding) whereby if the States Governments dispose of an asset and reinvest the proceeds in an approved infrastructure project, then the State Government will receive 15% of the cost of the new project as a grant from the fund. Both the ACT and NSW state governments have actively used this program thus far to help finance key infrastructure projects.

Further, as part of the 2015/16 Federal Budget, the Federal Government has made commitments to A$50 billion for current and future investments, of which A$43.9 billion is in the Infrastructure Investment Programme. The Infrastructure Investment Program is made up of a number of individual programmes, each providing targeted funding for land transport projects, including:

- Investment Road and Rail Programme:
- Black Spot Programme: A$60 million allocated annually
- Roads to Recovery Programme: A$350 million allocated
- Heavy Vehicle Safety and Productivity Programme: A$200 million over five years
- Bridges Renewal Programme: A$300 million over four years
- National Highway Upgrade Programme: ~A$230 million over four years

Analysis of the infrastructure construction spending since 2009 is set out in the graph below:

Grant Thornton
An instinct for growth™



Source: ABS Engineering and Construction Activity, Australia

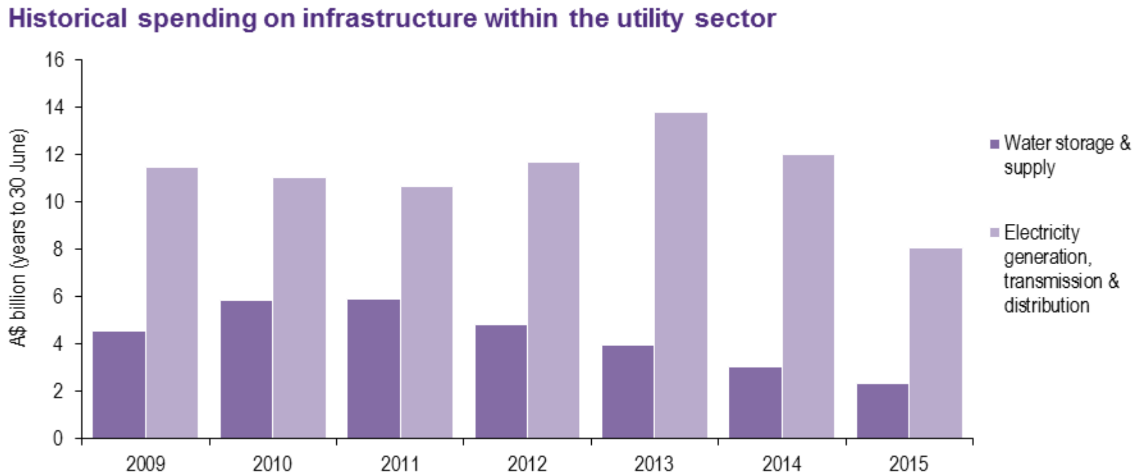
Utilities sector

The utilities sector includes operators in the electricity, water and sewage sector. The utility sector is expected to generate 12% of the total industry revenue.

The historical growth in the electricity sector revenue for engineering firms has been driven by increasing power demands and ageing infrastructure requiring replacement. The recent growth in the electricity sector is expected to continue as existing infrastructure that was built in the 1950s and 1960s will require significant upgrade or replacement over the next 10 years.

The water sector also experienced significant growth up to 2010 which was largely driven by the investment in desalination plants as a result of drought conditions along the eastern seaboard of Australia. However, spending has since reduced given the significant rainfall experienced throughout the following years.

Analysis of historical spending on infrastructure within the utility sector is shown in the graph below:



Source: ABS Engineering and Construction Activity, Australia

Grant Thornton
An instinct for growth™

4 Profile of EAL

4.1 Overview

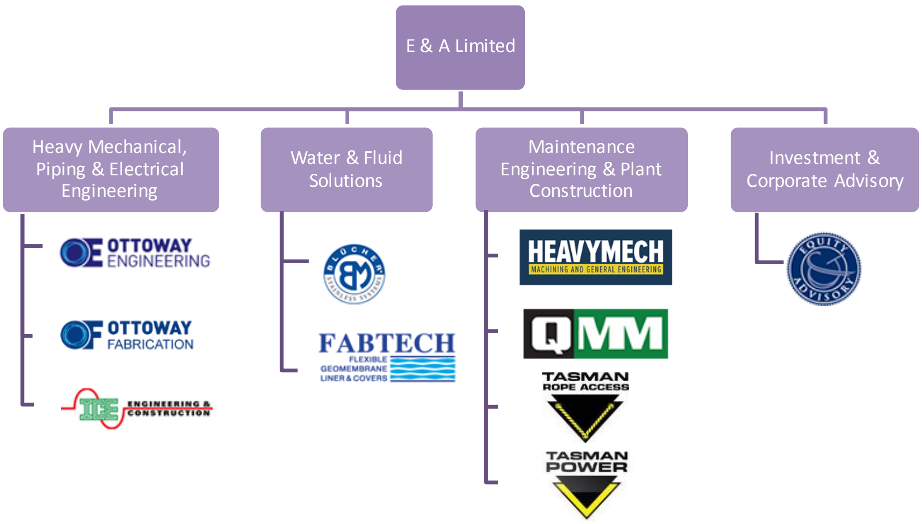
EAL is a holding company for a number of operating subsidiaries that are primarily focussed on providing engineering and maintenance services across the following industry sectors:

- Oil and gas.
- Mining and resources.
- Water and wastewater.
- Infrastructure.
- Defence.
- Power and renewable energy.

Additionally, EAL owns Equity & Advisory, a corporate advisory firm based in South Australia. Equity & Advisory is responsible for the corporate management of EAL's operating subsidiaries, and also provides financial advisory services to clients external to the group.

4.2 Corporate structure

Set out in the chart below is the corporate structure of EAL:



Source: EAL Management

Grant Thornton
An instinct for growth™

4.3 Corporate History

Set out in the table below is a brief corporate history of EAL:

Financial Year	Event
1997	▶ Majority shareholders Mr Young and Mr Vartuli established Equity & Advisory Ltd, a corporate advisory practice with 8 employees. ▶ Developed a Private Equity arm under Percheron Capital (renamed to E&A Limited) investing into established South Australian businesses.
2001	▶ First investment made in buying a stake in a procurement services specialist Louminco
2006	▶ Acquired Heavymech, a breakdown services and general refurbishment company
2007	▶ Acquired: ▪ Ottoway Engineering, a pipe welding specialist company ▪ Fabtech, market leading geomembrane lining installer ▪ Whyalla Fabrications, a significant steel fabrication business in South Australia based in Whyalla ▶ Listed on the Australian Securities Exchange in December 2007 and raises A$13.7 million through a fully subscribed Initial Public Offering
2008	▶ Acquired Quarry, Mining & Manufacture, a specialist plant design, manufacture, maintenance and repair service provider to the quarry, mining asphalt, concrete and recycling industries. ▶ Acquired Blucher Australia, a drainage and pressure piping solutions specialist.
2009	▶ Acquired ICE Engineering & Construction, a specialist electrical and instrumentation installation company ▶ A strategic merger is undertaken between Louminco and Whyalla Fabrications renaming the joint entity to E&A Contractors ▶ Ottoway Engineering established a WA presence to take advantage of the Pilbara region boom
2010	▶ A number subsidiaries expand their geographic reach and industry segments: ▪ Ottoway Engineering expands operations to Queensland to capitalise on growing pipe fabrication demand resulting from the emerging coal seam gas sector. ▪ Fabtech establishes presence in South East Queensland to service rising demand for geomembrane lining of large scale tanks and ponds. ▪ ICE Engineering & Construction set up a major projects office based in Adelaide to service national customers. ▪ Heavymech opens its Whyalla workshop providing breakdown repair and maintenance services to the mining, steelmaking and heavy industrial sectors
2013	▶ Entered the renewable energy sector by investing into specialised wind tower fabrication equipment and infrastructure at its Whyalla workshop facility. ▶ Secured key management personnel from a wind tower manufacturer, RPG. ▶ Ottoway Engineering moves into larger premises in South Australia to meet increasing demand and increases activity levels in Queensland to capitalise on the thriving coal seam gas sector ▶ E&A Contractors is renamed to Ottoway Fabrication and consolidates operations with Ottoway Engineering under the same management structure.
2014	▶ Blucher Australia develops a new multifaceted product for the plumbing mass market placing Blucher in a niche market position ▶ Blucher Australia introduces a specialty products division catering for purpose-built solutions
2015 YTD	▶ Blucher Australia explores options for a new copper press fit system with the view to a product launch in 2016 ▶ Acquired Tasman Power, a specialist electrical and instrumentation installation ▶ Tasman Power establishes a new division, Tasman Rope Access, in order to capitalise on opportunities in the rope access maintenance market.

Source: EAL Management

Grant Thornton
An instinct for growth™

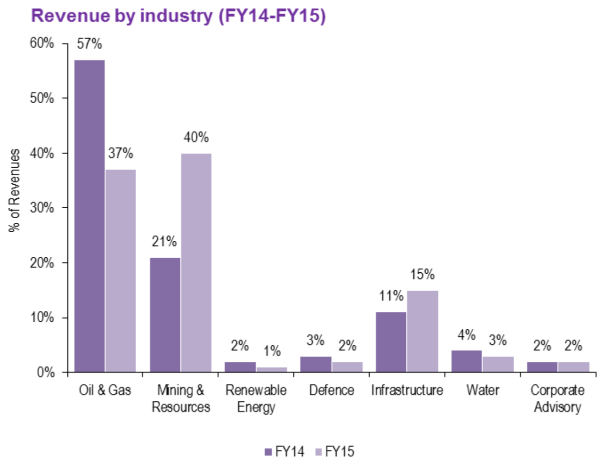
Set out in the table below is a brief description of the operating subsidiaries in the group:

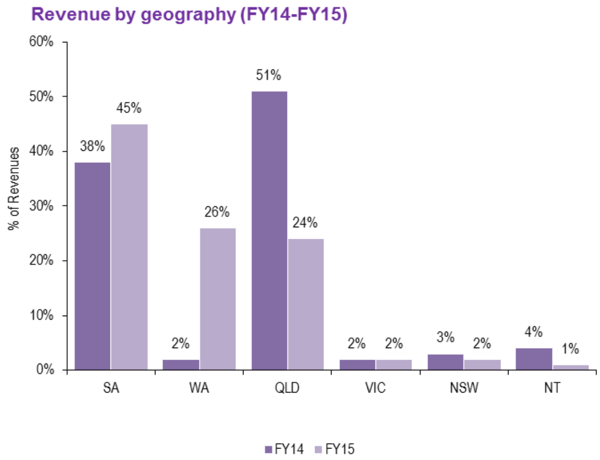
EAL Subsidiaries		The following provides an overview of EAL operating subsidiaries capabilities:
Blucher	▶	Supplier of high quality stainless steel drainage and supply systems products for industrial, commercial and residential applications.
Equity & Advisory	▶	South Australian corporate advisory firm offering a comprehensive range of corporate advisory services for external and internal clients. Equity & Advisory specialises in sales & divestments, mergers & acquisitions, valuations and expert opinions, capital & debt raising and investor representative consulting.
Fabtech Australia	▶	Involved in the supply and installation of flexible geomembrane liners and floating covers for dams, reservoirs and tunnels for the mining, oil & gas, potable and waste water storage containment, waste management and agriculture industries.
Heavymech	▶	Specialises in machining, breakdown and repair services to mining, manufacturing, power, defence, oil & gas, and exploration industries.
Quarry and Mining Manufacturer (QMM)	▶	Equipment, spare parts, plant contruction and repair, and onsite maintenance service provider to the quarry, recycling and mining sectors.
ICE Engineering & Construction	▶	Electrical engineering consultancy and project management including the design of electrical control systems for heavy industry, manufacturing and commercial installation. Specialising in the provision of remote area electrical and instrumentation services to the mining, water, power generation and oil & gas industries.
Ottoway Engineering	▶	Involved in off and on-site structural mechanical and pipe fabrication and construction service provider, involving all aspects of turn-key project management including design, engineering, procurement, manufacture, fabrication, machining, installation and maintenance servicing the oil & gas, mining, power generation defence and water industries.
Ottoway Fabrication	▶	Steel fabrication and structural engineering services, including project management, design, engineering support, procurement, structural steel fabrication and erection, pipe welding, pipework installation, pneumatic and hydraulic installations and light machining servicing the mining & resources, oil & gas, defence, industrial, power generation and renewable energy industries. In 2012 the business acquired the plant and equipment, intellectual property and key personnel from RPG, a wind tower manufacturer. The business has since significantly invested in acquiring and upgrading its Whyalla based facilities in order to create capability and capacity to build over 100 wind towers per annum.
Tasman Power	▶	Western Australian based business specialising in complete electrical and instrumentation installation solutions for new projects, shutdown maintenance, upgrades to existing sites and the ongoing service and maintenance support for blue chip mining clients operating in the Pilbara.
Tasman Rope Access	▶	Western Australian based business offering complete rope access maintenance, installation and inspection services, for new projects, upgrades to existing sites and the ongoing service and maintenance support. Rope access reduces costs associated with access to difficult to reach locations that usually require scaffolding providing a faster, cheaper and safer services.

Source: EAL Management

4.4 Operating segments

The majority of EAL's revenue is generated through the provision of specialist engineering services and manufactured components. Set out in the charts below is an analysis of EAL revenue for FY15 and FY14 by industry and geography:





Source: EAL Management

As indicated in the charts above, EAL generates the majority of its revenue from the oil and gas and mining and resources industry. The majority of EAL's clients are based in Queensland and South Australia.

Grant Thornton
An instinct for growth™

4.5 Financial information

4.5.1 Income statement

The consolidated income statement of EAL for the financial years ended 30 June 2013 (“FY13”), 30 June 2014 (“FY14”) and 30 June 2015 (“FY15”) are set out in the table below:

Consolidated income statement for the period ended: E&A Limited	30-Jun-13 Audited A$(000s)	30-Jun-14 Audited A$(000s)	30-Jun-15 Audited A$(000s)
Revenues	200,041	234,620	198,034
Cost of Sales	(160,399)	(188,039)	(190,142)
Gross Profit	**39,642**	**46,581**	**7,892**
Gross Profit Margin	*19.8%*	*19.9%*	*4.0%*
Other Income	837	785	539
Finance Income	12	32	6
Marketing, Administrative and Other Operating Expenses	(26,605)	(33,352)	(38,531)
Finance Expenses	(2,802)	(3,133)	(4,803)
Earnings Before Taxes	**11,084**	**10,913**	**(34,897)**
EBT Margin	*5.5%*	*4.7%*	*-17.6%*
Provision for Income Tax	*(3,378)*	*(3,199)*	*10,476*
Net Income (Loss)	**7,706**	**7,714**	**(24,421)**
Net Profit Margin	*3.9%*	*3.3%*	*-12.3%*

Source: FY13, FY14 and FY15 Annual Reports

We note the following in relation to the income statements set out above:

FY14

- Revenue for the period increased by A$34.6 million or 17% to approximately A$235.0 million, driven by a number of large projects in the oil and gas in industry particular in Queensland.

- Earnings growth was subdued due to lower margins earned from Heavy Mechanical and Electrical Engineering, Maintenance Engineering and Plant Construction due to greater competition in the marketplace and the abundance of spare capacity. In addition, EAL incurred one-off costs associated with the establishment of the wind tower fabrication business.

- Marketing, administrative and other operating expenses for the FY14 period were A$6.7 million higher than in FY13. This was driven by EAL increasing its presence in South Australia and Queensland.

FY15

- Revenue for FY15 decreased by A$36.5 million or 15.5% due to the deterioration of the market for engineering services driven by falling commodity prices and weakening demand from China.

- Net loss after-tax of A$24.4 million was primarily driven by impairment loss for work-in-progress relating to non-performing contracts and disputed outstanding claims of A$29.2 million.

- Marketing, administrative and other operating expenses for the FY15 period were A$5.1 million higher than in FY14 which was driven by non-recurring restructuring costs of approximately A$4.7 million.

4.5.2 Financial Position

The statements of financial position of EAL as at 30 June 2014 and 30 June 2015 are set out in the table below:

Consolidated statements of financial position as at E&A Limited	30-Jun-14 Audited A$(000s)	30-Jun-15 Audited A$(000s)
Current Assets		
Cash and Cash Equivalents	436	1,606
Trade and Other Receivables	26,058	20,330
Inventories	47,685	38,188
Prepayments	737	535
Other Current Assets	508	117
Current Tax Asset	-	198
Total Current Assets	**75,424**	**60,974**
Non Current Assets		
Property, Plant and Equipment	29,505	29,107
Intangible Assets	54,825	63,531
Other Non-current Assets	1,058	7,768
Deferred Tax Assets	5,085	14,023
Total Non Cureent Assets	**90,473**	**114,429**
Total Assets	**165,897**	**175,403**
Current Liabilities		
Trade and Other Payables	33,372	31,837
Loans and Borrowings	14,933	48,850
Deferred Revenue	1,327	2,949
Provision for Employee Entitlements	5,051	4,190
Current Tax Liability	4,612	-
Total Current Liabilities	**59,295**	**87,826**
Non Current Liabilities		
Trade and Other Payables	-	3,379
Loans and Borrowings	30,139	30,150
Provision for Employee Entitlements	833	844
Provision for Workers' Compensation	-	1,042
Deferred Tax Liability	3,321	3,540
Total Non Current Liability	**34,293**	**38,955**
Total Liabilities	**93,588**	**126,781**
Net Assets	**72,309**	**48,622**

Source: 2015 Annual Report

We note the following in relation to the statements of financial position:

30 June 2014

- Inventories increased to A$47.7 million, up from A$26.7 million in FY13, as a result of increased work in progress and finished goods for the period of A$19.2 million and A$4.0 million respectively which was driven by greater activity in the oil and gas industry.

- Intangible assets of A$54.8 million represent 60.6% of all non-current assets and comprise A$54.6 million of goodwill and A$0.2 million relating to exclusive supplier agreements recognised in relation to the business combination of Blucher (Australia) Pty Ltd.

- Total borrowings as at 30 June 2014 amounted to A$45.1 million, consisting of:

  - Current loans and borrowings of A$14.9 million primarily relating to bank overdrafts of A$5.3 million and commercial bills of A$7.0 million.

  - Non-current loans and borrowings of A$30.1 million primarily relating to commercial bills of A$25.1 million and finance leases of A$3.1 million.

30 June 2015

- Inventories of A$38.2 million, down A$9.5 million from FY14, was due to decreased work in progress and finished goods of A$7.1 million and circa A$2.4 million respectively. This is consistent with the fall in revenue for the year. During the year, the Directors impaired the carrying value of work in progress relating to non-performing contracts and disputed outstanding claims by an amount of A$29.2 million.

- Intangible assets increased by A$8.7 million to A$63.5 million due to additional amounts recognised from business acquisitions during the period (Tasman Power Group). This balance comprises A$63.3 million of goodwill and A$0.2 million relating to exclusive supplier agreements recognised in relation to the business combination of Blucher (Australia) Pty Ltd.

- Total borrowings for as at 30 June 2015 amount to A$79.0 million, consisting of:

  - Current loans and borrowings of circa A$49.0 million up from A$14.9 million in 2014, primarily relating to bank overdrafts of A$32.7 million and commercial bills of A$10.5 million. We note that subsequent to the 30 June 2015, the National Australia Bank agreed to extend its facility to 31 August 2016 as a result of the Proposed Conversion.

  - Non-current loans and borrowings of circa A$30.0 million primarily relating to commercial bills of A$26.0 million and finance leases of A$2.2 million.

- As a condition of the Loan Facility provided by LIM, the NAB has converted A$31 million of EAL's existing facilities from current borrowings to non-current borrowings thereby improving the financial position of EAL.

- We note that the audit report attached to the audited financial accounts for FY15 included an emphasis of matter in relation to the ability of the Company to continue as a going concern. In this regard, we note that the financial accounts of the Company for FY15 have been prepared on a going concern basis on the assumption that the Company's financiers continue to support EAL and that the EAL Shareholders approve the Proposed Conversion.

4.6 Capital Structure

The top ten shareholders of EAL as at 30 September 2015 are set out below:

Top shareholders as at 30 September 2015		
Name	Number of shares	Interest (%)
PORT TACK PTY LTD	54,921,184	40.1%
VARS ENTERPRISES PTY LTD	15,718,699	11.5%
STEPHEN YOUNG	3,425,069	2.5%
OBENOX PTY LTD	2,659,169	1.9%
JASON FRANK PRYDE	2,198,217	1.6%
MARESA PTY LTD	2,068,746	1.5%
MARK ALAN MCDONNELL	2,064,060	1.5%
BARMERA MARINE PTY LTD	1,842,548	1.3%
MR CRAIG GRAEME CHAPMAN	1,471,081	1.1%
ALMERANKA SUPERANNUATION PTY LTD	1,363,500	1.0%
Top 10 shareholders total	**87,732,273**	**64.1%**
Remaining shareholders	**49,186,133**	**35.9%**
Total shares outstanding	**136,918,406**	**100.0%**

Source: Link Market Services

In addition to the table above, we have set out the substantial shareholders in the table below:

Substantial Shareholders as at 30 September 2015		
Name	Number of shares	Interest (%)
Stephen Young and controlled entities	60,534,319	44.2%
Mart Vartuli and controlled entities	17,303,228	12.6%
Substantial shareholders total	**77,837,547**	**56.8%**
Remaining shareholders	**59,080,859**	**43.2%**
Total shares outstanding	**136,918,406**	**100.0%**

Source: Link Market Services

A discussion on EAL's Share trading profile is set out in Section 6.2.1.

Grant Thornton
An instinct for growth™

5 Valuation methodologies

5.1 Introduction

As part of assessing whether or not the Proposed Conversion is fair to the Non-Associated, Grant Thornton Corporate Finance has compared:

- The fair market value of EAL Shares before the Proposed Conversion on a control basis.
- The fair market value of EAL Shares after approval of the Proposed Conversion on a minority basis.

In each case, Grant Thornton Corporate Finance has assessed value using the concept of fair market value. Fair market value is commonly defined as:

"the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arm's length."

Fair market value excludes any special value. Special value is the value that may accrue to a particular purchaser. In a competitive bidding situation, potential purchasers may be prepared to pay part, or all, of the special value that they expect to realise from the acquisition to the seller.

We note, RG111 requires the fairness assessment to be made assuming 100% ownership of the target company and irrespective of whether the consideration offered is script or cash and without consideration of the percentage holding of the offeror or its associates in the target company.

5.2 Valuation methodologies

RG 111 outlines the appropriate methodologies that a valuer should generally consider when valuing assets or securities for the purposes of, amongst other things, approval of an issue of shares using item 7 of s611 of the Corporations Act, share buy-backs, selective capital reductions, schemes of arrangement, takeovers and prospectuses. These include:

- Discounted cash flow ("DCF") method and the estimated realisable value of any surplus assets.
- Application of earnings multiples to the estimated future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets.
- Amount available for distribution to security holders on an orderly realisation of assets.
- Quoted price for listed securities, when there is a liquid and active market.
- Any recent genuine offers received by the target for any business units or assets as a basis for valuation of those business units or assets.

Further details on these methodologies are set out in Appendix A to this report. Each of these methodologies is appropriate in certain circumstances.

RG111 does not prescribe the above methodologies as the method(s) that an expert should use in preparing their report. The decision as to which methodology to use lies with the expert based on the expert's skill and judgement and after considering the unique circumstances of the entity or asset being valued. In general, an expert would have regard to valuation theory, the accepted and most common market practice in valuing the entity or asset in question and the availability of relevant information.

5.3 Selected valuation methods

Grant Thornton Corporate Finance has selected the quoted price of securities as the primary methodology to assess EAL's equity value. The quoted price of listed securities method is based on the Efficient Market Hypothesis ("EMH") which states that the share price at any point in time reflects all publicly available information and will change when new information becomes publicly available. With regards to this, we note that EAL complies with the full disclosure regime required by the ASX and has a reasonable level of liquidity having regard to the level of free float (discussed in more detail in Section 6.1.1). As a result, the market is fully informed about the performance of EAL.

As a cross check to our primary valuation methodology, we have compared the EBITDA multiple implied in the trading prices to the EBITDA multiple of listed comparable companies and completed comparable transactions. This method only provides an indicative market value of EAL as the EBITDA multiple may vary significantly between the different listed comparable companies due to a variety of factors including size, geographic segmentation, historic and forecast financial performance and other factors.

We note that the Company does not prepare long term forecasts and accordingly the DCF methodology was not applicable. In addition given the uncertainty and volatility surrounding the Company's financial results, any forecasts or projections would be based on hypothetical assumptions. Asset-based valuations are not, in our opinion suitable for the type of business undertaken by EAL.

When considering the fair market value of EAL after the Proposed Conversion, Grant Thornton Corporate Finance has undertaken the analysis under three scenarios due to the uncertainty over the timing of LIM exercising its Conversion Rights which may not take place at all. Specifically, we have had regard to the following scenarios:

- Share price of EAL after the announcement of the Proposed Conversion.

- Trading prices of EAL before the Proposed Conversion and deducting the equity component of the Loan Facility based on the Black-Scholes option pricing methodology.

- Trading prices of EAL before the Proposed Conversion and adjusted for the full dilutionary impact of the Proposed Conversion.

Grant Thornton
An instinct for growth™

6 Valuation assessment of EAL before the Proposed Conversion

As outlined in Section 5.3, Grant Thornton Corporate Finance has adopted the quoted price of securities methodology to assess the equity value of EAL before the Proposed Conversion.

6.1 Quoted price of securities

Set out below is our valuation assessment of EAL before the Proposed Conversion on a control basis applying a quoted price of securities valuation method.

Valuation summary of EAL before the Proposed Conversion (Quoted price of securities method)	*Section Reference*	Low	High
Assessed value per EAL Share (minority basis) (A$)	*6.1.1*	0.139	0.160
Control premium	*6.1.2*	30%	40%
Assessed value per EAL Share (control basis) (A$)		**0.181**	**0.224**

Source: Grant Thornton Corporate Finance calculations

6.1.1 Share price and market analysis

In our assessment of the fair market value of EAL Shares, we have had regard to EAL Shares trading prices on the ASX.

In accordance with the requirements of RG111, we have considered the listed securities' depth, liquidity, and whether or not the market value is likely to represent the underlying value of EAL. The following table summarises the monthly trading price and volume of EAL Shares since September 2014:

Month end	Volume traded ('000)	Monthly VWAP (A$)	Total value of shares traded (A$'000)	Volume traded as % of total shares	Volume traded as % of free float shares
Sep 2014	3,814	0.489	1,863	3.0%	9.5%
Oct 2014	1,367	0.503	688	1.1%	3.4%
Nov 2014	2,044	0.494	1,010	1.6%	4.9%
Dec 2014	1,010	0.404	408	0.8%	2.4%
Jan 2015	1,301	0.374	487	1.0%	3.0%
Feb 2015	4,483	0.267	1,198	3.3%	10.3%
Mar 2015	851	0.245	209	0.6%	2.0%
Apr 2015	881	0.252	222	0.6%	2.0%
May 2015	944	0.224	211	0.7%	2.2%
Jun 2015	914	0.163	149	0.7%	2.1%
Jul 2015	537	0.162	87	0.4%	1.2%
Aug 2015	321	0.146	47	0.2%	0.7%
Min	**321**	**0.146**	**47**	**0.23%**	**0.74%**
Max	**4,483**	**0.503**	**1,863**	**3.27%**	**10.32%**
Average	**1,539**	**0.310**	**548**	**1.16%**	**3.64%**
Median	**977**	**0.259**	**315**	**0.73%**	**2.30%**

Source: Capital IQ

With regards to the above analysis, we note that:

- For the purpose of our valuation assessment, we have observed the share trading profile of EAL from September 2014 to September 2015.

Grant Thornton
An instinct for growth™

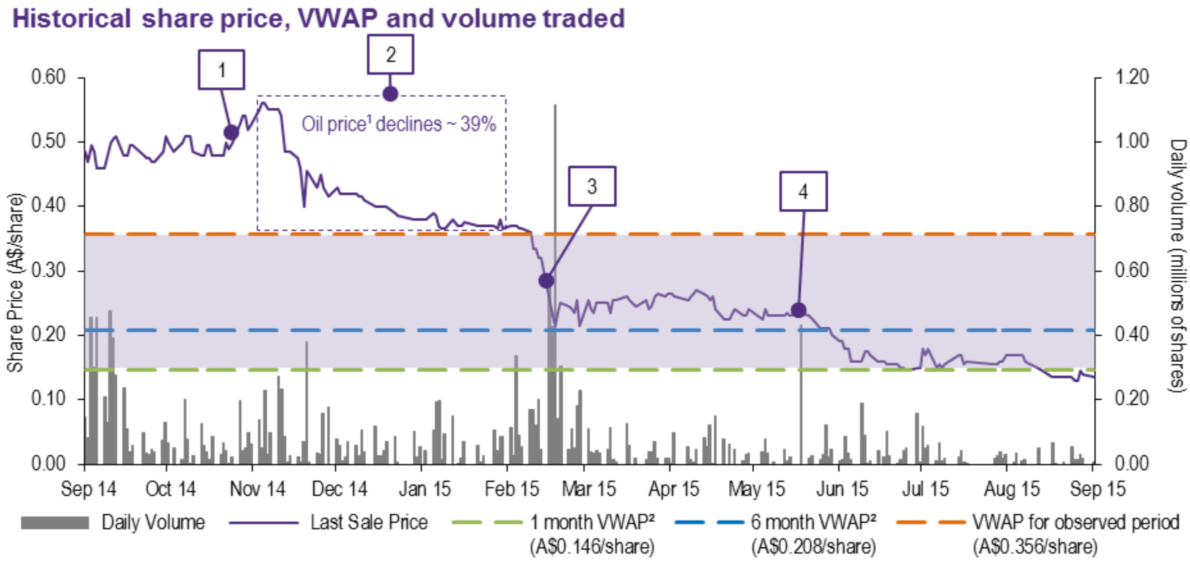
- EAL complies with the full disclosure regime required by the ASX. As a result, the market is fully informed about the performance of EAL.

- In the absence of a takeover or other share offers, the trading share price represents the value at which minority shareholders could realise their portfolio investment.

- The level of free float[10] EAL Shares as at 1 September 2015 is approximately 31.71%. Since September 2014, whilst only 13.9% of the total outstanding shares have been traded, we note that 43.7% of the free float EAL Shares has been traded. In our opinion, there appears to be sufficient liquidity to support the use of recent share trading prices as a valuation method.

- EAL Shares have been quite volatile over the observed period (i.e. last 12 months), with the minimum and maximum monthly VWAP price varying between 14.6 cents and 50.3 cents. This is explained further in our analysis of the daily movements in EAL's share price and volumes, and market conditions below.

Our analysis of the daily movements in EAL's share price and volumes for the period from 1 September 2014 to 1 September 2015 is set out below:



Note (1): West Texas Intermediate Oil price performance between 1 November 2014 and 28 February 2015

Note (2): VWAP for the period prior to the Valuation Date (i.e. 1 September 2015)

Source: S&P Capital IQ, EAL's ASX announcements and GTCF analysis

[10] Free float Shares excludes those owned by Company employees, individual insiders, related parties and other strategic investors

In relation to the share price graph above, we note the following

No.	Date	Closing share price (A$/share)	Comments
1	27 Oct 14	0.530	EAL acquires 100% of Tasman Power Group for a purchase consideration of up to $12.05 million, contingent on the achievement of certain earn-out agreements. The acquisition was financed through a combination of 4,128,120 EAL shares issued to vendors, cash and bank debt.
2	1 Nov 14 to 28 Feb 15	n/a	Price of West Texas Intermediate Oil declines ~39% over this period as the Organisation of Petroleum Exporting Countries ("OPEC") opts not to cut production despite a fall in the price of oil. The decline in oil has been attributed to slowing demand combined with increasing supply, particularly from North American shale producers.
3	16 Feb 15	0.250	Interim Earnings Update – EAL announces lower than expected Net Profit After Tax for the six month period ended 31 December 2014 of approximately $2.3 million. EAL attributed the lower than expected result to a faster than expected decline in commodity prices, in particular the decline in the price of oil over the previous 90 days. A number of EAL's largest clients are oil and gas companies, who have terminated existing contracts, deferred capital expenditure and downsized operations over the last few months.
4	18 May 15	0.235	Ottoway Engineering Contractual Issues – EAL announced that one of its wholly owned subsidiaries, Ottoway Engineering Pty Ltd, experienced construction and contractual issues associated with the completion of its contract to provide mechanical, structural and piping installation services for the new Royal Adelaide Hospital, as well as contractual issues in respect of the completion of dewatering buildings which it is constructing at Cape Preston. As a result, EAL announced that both Ottoway Engineering and EAL would incur a loss for the full year ended 30 June 2015.

Source: EAL's ASX announcements and GTCF analysis

We note that the financial results of EAL for FY15 were announced to the market at the same time of the Loan Facility. Accordingly, the share price of EAL before the announcement of the Proposed Conversion may not fully reflect the financial results of FY15 including the write down of approximately A$29.2 million in work in progress as a result of non-performing contracts and disputed outstanding claims. However, we note that the market had been informed of deteriorating earnings performance on:

- 16 February 2015 where EAL announced a downgrade to interim financial results.

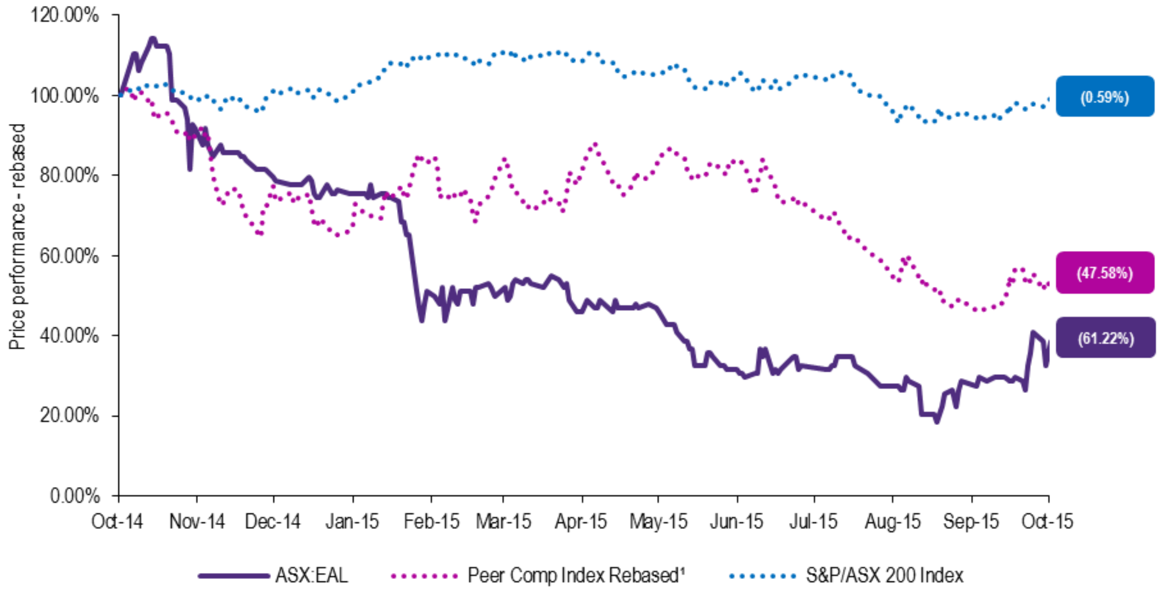
- 11 May 2015 where EAL announced that it would incur a loss for FY15 as a result of construction and contractual issue.

Accordingly, we have concluded that the market had sufficient information to form a view of the financial results announced by EAL on 1 September 2015. In addition, Grant Thornton Corporate Finance has considered the implied EBITDA multiples to cross check the valuation assessment based on quoted security prices.

To further assist in our analysis and understanding of the recent EAL Share price movements, we have also taken into consideration the indexed movement of the EAL share price to its peers and S&P/ASX 200 prices as set out below:

Grant Thornton
An instinct for growth™

Historical EAL share price comparison analysis



Note (1): Peer Comp Index tracks share price performance of recognised comparable companies outlined in Appendix C
Source: S&P Capital IQ and GTCF analysis

Specifically, we note the following movements in the EAL share price:

- The EAL Share price has decreased by circa 61% over the last twelve months to October 23, and circa 71% from 23 October 2014 to the announcement of the Proposed Conversion on 1 September 2015. This has occurred as a result of both market wide factors and company specific factors as outlined above.

- Similar to other ASX listed companies operating in the mining services industry, the decrease in the EAL Share price appears to largely reflect the high volatility and general downward trend in commodity prices, particularly oil and iron ore, which has reduced investor interest and confidence in the industry.

- Further, the earnings downgrade announced to the market on 16 February 2015 appears to have been a catalyst for EAL's deteriorating and diverging share price relative to its peers. Since this announcement, EAL's share price has largely tracked its peer index.

- Post the 1 September 2015 announcement of the Proposed Transaction, EAL's share price has increased circa 41%. We have largely attribute this increase to:

  - A general market re-rating in conjunction with change of control transactions for Coffey and Cardno occurring at significant premium to the trading prices.

  - The Company announced that it had received A$4.3 million from the Supreme Court of Queensland after proceedings against a wholly owned subsidiary of EAL had been discontinued.

Accordingly, based on the analysis above, we have considered that the trading prices provide a reasonable proxy for the fair market value of EAL before the Proposed Conversion.

We have set out below the recent VWAP of EAL prior to the announcement of the Proposed Conversion:

VWAP	Low	High	VWAP
Prior to 01 Sep 2015			
5 day	0.130	0.150	0.139
10 day	0.130	0.150	0.137
1 month	0.130	0.170	0.146
3 month	0.130	0.200	0.160
6 month	0.130	0.270	0.208
12 month	0.130	0.564	0.356

Source: Capital IQ and Grant Thornton Corporate Finance calculations

Based on the analysis above, we have selected trading prices between A$0.139 and A$0.160 as representative of the fair market value of the Company on a minority basis before the Proposed Conversion. The low end of the range reflects the VWAP for 5 days, while the high end is closer to the observed high VWAP for 3 months.

6.1.2 Control premium

The VWAPs set out in the tables above are based on portfolio trading and accordingly they represent the fair market value of the Company on a minority basis.

A premium for control is applicable when the acquisition of control of a company or business would give rise to benefits such as:

- The ability to realise synergistic benefits.
- Access to cash flows.
- Access to tax benefits.
- Control of the board of directors of the company.

Evidence from studies indicates that premiums for control on successful takeovers have frequently been in the range of 20% to 40% in Australia and that the premiums vary significantly from transaction to transaction.

In selecting an appropriate control premium to apply to the EAL Shares, we have considered the following:

- EAL has an extensive portfolio of engineering companies including the recent acquisition of Tasman Power in FY15, the value of which has yet to be fully realised.
- EAL has recently completed a productivity and profit improvement program to realise cost savings of approximately A$6.0 million per annum.

- EAL has recently upgraded its Whyalla facility in order to produce 100 wind towers per annum. According to Management of EAL, the renewable energy targets recently announced by the Federal Government will require approximately 1,500 to 2,000 wind towers over the next five years.

- The trading prices before the announcement of the Proposed Conversion may reflect a situation of financial distress for the Company.

- We have observed the control premiums for recent takeovers of mining services companies in Australia. Specifically the acquisition of Cardno and Coffey which are being undertaken at a premium of 26%[11] and 130%[12] respectively.

Based on the above factors, we are of the opinion that the premium for control should be towards the high-end of the premium for control historically observed in the Australian market for successful takeovers. Accordingly, we have adopted a premium for control in the range of 30% and 40%.

6.2 Valuation cross check

Prior to reaching a conclusion of the fair market value of EAL Shares on a control basis, we have assessed the reasonableness of the equity value implied by our assessment of the market value of quoted securities, by comparing the EBITDA multiple implied by our valuation assessment to the EBITDA multiple of listed comparable companies and completed comparable transactions.

This method only provides an indicative market value of EAL as the EBITDA multiple may vary significantly between the different listed comparable companies due to a variety of factors including size, geographic segmentation, historic and forecast financial performance and other factors.

[11] Based on the last trading day prior to the announcement of the takeover offer as set out the Bidders Statement dated 14 September 2015.
[12] Based on the last trading day prior to the announcement of the Bid Implementation Agreement as set out in the ASX announcement dated 14 October 2015

Grant Thornton
An instinct for growth™

6.2.1 EAL's EBITDA multiple implied by our valuation assessment

Our valuation assessment of EAL based on the market value of quoted securities implies an EBITDA multiples as summarised below:

Valuation cross check (Implied EBITDA Multiples)	*Section Reference*	Low	High
Assessed value per EAL Share (minority basis) (A$)	*6.1*	0.139	0.160
Number of ordinary shares on issue ('000s)	*4.6*	136,918	136,918
Equity value (minority basis) (A$'000s)		19,032	21,907
Net Debt as at 30 June 2015 (A$'000s)	*4.5.2*	77,400	77,400
Enterprise value (minority basis) (A$000s)		**96,432**	**99,307**
FY13 EBITDA (A$'000s)	*6.2.2*	16,300	16,300
FY14 EBITDA (A$'000s)	*6.2.2*	17,200	17,200
FY15 EBITDA (normalised) (A$'000s)	*6.2.2*	7,300	7,300
Average EBITDA (last three years)		**13,600**	**13,600**
FY13 Implied EBITDA Multiple		5.9	6.1
FY14 Implied EBITDA Multiple		5.6	5.8
FY15 Implied EBITDA Multiple (normalised)		13.2	13.6
Implied EBITDA Multiple (last three years)		**7.1**	**7.3**

Source: Grant Thornton Corporate Finance calculations

6.2.2 EBITDA of EAL

Based on the audited financial accounts of EAL, we have calculated the EBITDA of EAL in the table below:

Consolidated statements of profit or loss for the period ended: E&A Limited	30-Jun-13 A$(000s)	30-Jun-14 A$(000s)	30-Jun-15 A$(000s)
Earnings Before Taxes	**11,084**	**10,913**	**(34,897)**
Add: Interest Expense	2,802	3,133	4,803
Add: Depreciation & Amortisation	2,377	3,202	3,499
Add: One-Off & Non-recurring items	-	-	33,900
EBITDA	**16,263**	**17,248**	**7,305**

Source: EAL Audited Financial Accounts

As set out in Section 4.5.1, the one-off and non recurring items impacting the FY15 financial results relates to impairment of work-in-progress (A$29.2 million) and restructuring costs (A$4.7 million).

In addition, we have been provided the year to date financial results and Management's indications on financial performance for the year ending 30 June 2016 ("FY16"). Whilst this information has not been disclosed in our report due to the commercial sensitivity, we have considered this information in our cross check to the quoted securities price methodology.

We note that EAL operates in a cyclical business environment where current trading conditions are currently depressed. As a result, we have separately calculated the average EBITDA of EAL for the

Grant Thornton
An instinct for growth™

last three years, which in our opinion provides a reasonable estimate of the maintainable EBITDA for EAL.

6.2.3 EBITDA multiple of listed comparable companies

Set out below are the EBITDA multiples of selected listed comparable companies. A brief description of the selected comparable companies is set out in Appendix C.

Company	Country	Market Cap. (A$m)	LTM EV/EBITDA Actual	FY2016 EV/EBITDA Projected	FY2017 EV/EBITDA Projected	FY2018 EV/EBITDA Projected	FY2019 EV/EBITDA Projected
Worley Parsons Limited	Australia	1,785	6.3x	6.0x	5.7x	5.3x	4.9x
Downer EDI Limited	Australia	1,488	3.2x	3.4x	3.4x	3.4x	3.3x
RCR Tomlinson Limited	Australia	281	5.6x	3.8x	3.7x	3.7x	3.2x
Decmil Group Limited.	Australia	179	1.9x	2.9x	2.7x	2.5x	NA
Monadelphous Group Limited	Australia	673	2.9x	3.6x	4.0x	4.3x	4.0x
Ausenco Limited	Australia	60	(5.3)x	11.6x	8.3x	7.3x	6.3x
Calibre Group Limited	Australia	36	1.2x	1.0x	1.0x	NA	NA
Lycopodium Ltd.	Australia	60	(11.0)x	NA	NA	NA	NA
Logicamms Limited	Australia	51	3.1x	2.6x	2.3x	2.2x	2.0x
Low			**(11.0)x**	**1.0x**	**1.0x**	**2.2x**	**2.0x**
Average			**0.9x**	**4.4x**	**3.9x**	**4.1x**	**4.0x**
Median			**2.9x**	**3.5x**	**3.5x**	**3.7x**	**3.7x**
High			**6.3x**	**11.6x**	**8.3x**	**7.3x**	**6.3x**

Source: Capital IQ

In relation to the EBITDA multiple of the selected listed comparable companies, we note that:

- The selected comparable companies are engaged in the provision of engineering services to the mining and energy resources in Australia, similar to EAL. However, the comparable companies also operate internationally while EAL operates in Australia only.

- Some of the comparable companies selected are significantly larger than EAL in terms of market capitalisation. However they are exposed to the same downturn in the mining and resources market in Australia, in particular Worley Parsons and Monadelphous.

- The trading multiples listed above have been calculated based on the market price for minority or portfolio share holdings and do not include a premium for control.

- EAL's financial performance for FY15 was impacted by the downtown in the mining and energy resources in Australia. Management of the Company has undertaken a number of restructuring activities to reposition the Company in order to continue trading in the current economic environment. As a result, the historical EBITDA multiple for FY15 is high compared to the average of comparable companies.

Grant Thornton
An instinct for growth™

6.2.4 EBITDA multiple of comparable transactions

We have further considered the EBITDA multiples implied by recent transactions in the mining engineering sector as set out below. A brief description of the target companies is set out in Appendix D.

Date	Target Company	Status	Country	Bidder Company	Stake (%)	Deal Value (A$m)	EBITDA Multiple (Times)[1]
Oct-15	Coffey International Limited	Announced	Australia	Tetra Tech Inc.	100%	200	8.2
Sep-15	Cardno Limited	Announced	Australia	Crescent Capital Investments Pty Limited	39%	225	9.0
Oct-13	Mancala Holdings Pty Ltd	Closed	Australia	Sapphire Corporation Limited	100%	15	5.4
Sep-13	Sinclair Knight Merz Management Pty Limited	Closed	Australia	Jacobs Australia Holdings Company Pty. Ltd.	100%	1,329	7.4
Aug-13	Greencap Limited	Closed	Australia	Wesfarmers Industrial And Safety Pty Ltd.	100%	21	5.0
Jul-13	Clough Limited	Closed	Australia	Murray & Roberts Holdings Ltd.	38%	435	6.9
Feb-13	Eastcoast Development Engineering Pty Ltd	Closed	Australia	Decmil Group Limited.	100%	29	2.3
Jul-11	BEC Engineering Pty Ltd	Closed	Australia	Cardno Limited	100%	45	NA
Nov-09	Evans & Peck Group Pty Ltd	Closed	Australia	Worleyparsons Infrastructure Holdings Pty Limited	100%	87	NA
Jun-09	GRD Limited	Closed	Australia	AMEC plc (nka:Amec Foster Wheeler plc)	100%	166	7.7
Low							**2.3**
Average							**6.49**
Median							**7.13**
High							**9.04**

Note (1): Historical EBITDA used to calculate multiples.
Source: Capital IQ and GTCF calculations

In relation to the EBITDA multiples implied by the above transactions, we note that:

- The target companies which are the subject of the above transactions are engaged in the provision of engineering services to the mining and resources industry, similar to EAL.
- The target companies are based in Australia, similar to EAL which does not have international operations.
- A number of the target companies are significantly larger than EAL. Generally larger companies are bought and sold at higher multiples.
- The transaction multiples may incorporate various levels of control premium paid for by the acquirers. Evidence from studies indicates that premiums for control on successful takeovers have frequently been in the range of 20% to 40% and that the premiums vary significantly from transaction to transaction.
- The transaction multiples may reflect various synergies paid for by the acquirer which may be unique to the acquirers.
- The transaction multiples are calculated based on the historical EBITDA of the acquired companies which typically tends to provide higher multiples relative to forecast EBITDA multiples due to the growth expectations typically included into forecast financial performance.

Grant Thornton
An instinct for growth™

6.2.5 Cross check conclusion

As set out in Section 6.2.1, the EBITDA multiple of EAL based on the average of last three years EBITDA is between 7.1x and 7.3x on a minority basis. This implied multiple does not seem to be unreasonable when compared with the transaction multiples implied in the recently announced acquisitions of Coffey and Cardno.

We note that the implied EBITDA multiple of EAL for FY15 includes a normalisation adjustment of A$33.9 million while the trading company multiples do not include any normalisation adjustments. In our opinion, it is more relevant to compare the EBITDA multiple of EAL based on the average of last three years (as a proxy for future earnings) to the FY16 EBITDA multiples of the comparable companies.

The EBITDA multiple in the trading prices of EAL is materially higher than comparable listed peers. We do not believe this is unreasonable given that the trading multiples of comparable companies may be adversely affected by depressed market condition which are less reflective of underlying value of the comparable companies and more biased towards short-term volatility. This is evident in the recent takeover announcement of Coffey where the premium over the last day trading price was over 100%.

7 Valuation assessment of EAL after approval of the Proposed Conversion

As outlined in Section 5.3, Grant Thornton Corporate Finance has considered the value of EAL after the Proposed Conversion under three scenarios given the uncertainty over when LIM may exercise its Conversion Rights. The scenarios are set out below:

- *Scenario 1*: Share price of EAL after the announcement of the Proposed Conversion.
- *Scenario 2:* Trading prices of EAL before the Proposed Conversion and deducting the equity component of the Loan Facility based on the Black-Scholes option pricing methodology.
- *Scenario 3:* Trading prices of EAL before the Proposed Conversion and adjusted for the full dilutionary impact of the Proposed Conversion.

A summary of our calculations are set out the table below:

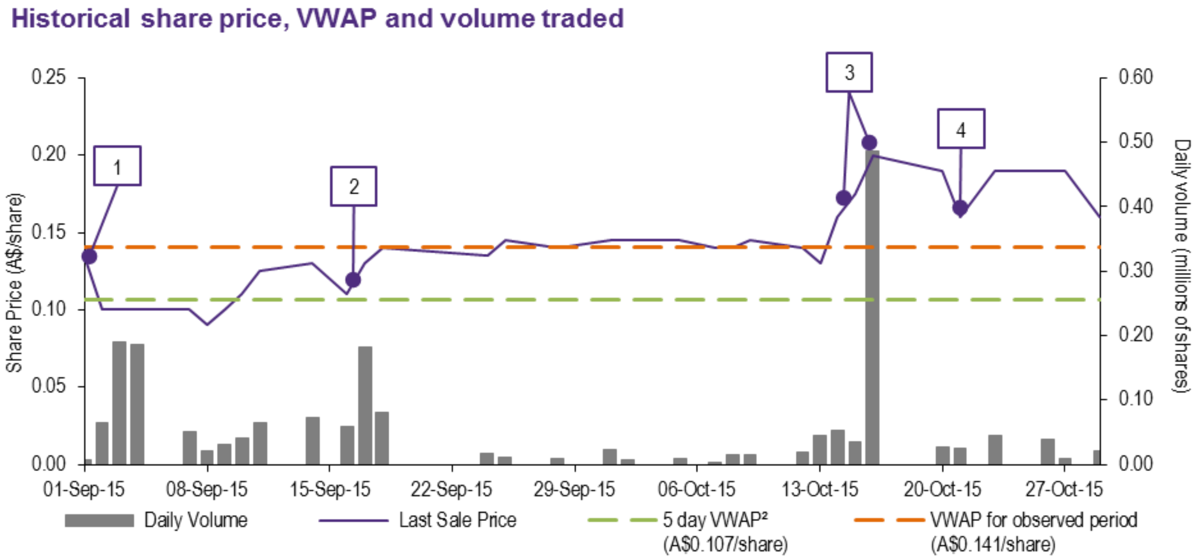
Valuation summary of EAL after the Proposed Conversion	*Section Reference*	Low A$	High A$
Scenario 1: Share price trading after announcement of the Proposed Conversion	*7.1*	0.110	0.140
Scenario 2: Value of the equity component of the Loan Facility	*7.2*	0.123	0.138
Scenario 3: Fully diluted basis	*7.3*	0.162	0.177
Valauation range		**0.110**	**0.177**

Grant Thornton Corporate Finance Calculations

The low range is based on Scenario 1 which produced the lowest value, while the high range is based on Scenario 3 which produced the highest value.

7.1 Scenario 1 - Share price after the announcement of the Loan Facility

Set out in the table below is the share price chart following the announcement of the Loan Facility on 1 September 2015 which should reflect the market's assessment of the terms of the Proposed Conversion:



Source: Capital IQ

In relation to the share price graph above, we note the following

No.	Date	Closing share price (A$/share)	Comments
1	1 Sep 15	0.135	EAL announced that it had entered into a funding agreement with LIM to provide the EAL with a secured convertible loan facility of up to US$10 million. The Loan Facility provides LIM with rights to convert loan advances plus capitalised and unpaid interest to ordinary voting shares in EAL
2	17 Sep 15	0.145	Adjudication Decision: EAL announced that its wholly owned subsidiary Fabtech Australia Pty Ltd received a positive adjudication decision in relation to a claim under the Building and Construction Industry Payments Act, 2004 QLD for work performed in Wandoan Queensland. The value of the adjudicated amount was A$4,019,863.73 plus interest payable
3	14 Oct 15 to 16 Oct 15	0.200	Mining services company Coffey International Limited announce after-market on 14 October 2015 that is has received a takeover off by Teltra Tech, Inc. for a consideration of A$0.425 per share, representing a 130% premium to Coffey's last closing price. EAL's share price and volume increase in the days following this announcement.
4	23 Oct 15	0.190	Adjudication Decision Update: EAL announced that the Supreme Court of Queensland Proceedings commenced against its wholly owned subsidiary Fabtech Australia Pty Ltd have been discontinued and that Fabtech Australia Pty Ltd had received a cheque from the court for A$4,3 million

Source: EAL's ASX announcements and GTCF analysis

Grant Thornton
An instinct for growth™

Set out below is the VWAP of EAL after the announcement of the Loan Facility:

VWAP	Low	High	VWAP
Post 01 Sep 2015			
5 day	0.090	0.135	0.107
10 day	0.090	0.140	0.107
1 month	0.090	0.200	0.118
To 30 Oct 2015	0.090	0.200	0.141

Source: Capital IQ

Based on the analysis above, we have selected trading prices between A$0.11 and A$0.14 as representative of the fair market value of the Company on a minority basis after the announcement of the Proposed Conversion.

We note a potential limiting factor in adopting the share price of EAL after the announcement of the Proposed Conversion is that the market has also considered the release of the FY15 financial results on 1 September 2015.

7.2 Scenario 2 - Equity value of the Loan Facility

Set out in the table is our valuation assessment of EAL having regard to the trading pricing before the announcement of the Proposed Conversion but after deducting the equity value component of the Loan Facility from the valuation of EAL before the Proposed Conversion to reflect the options value of the Loan Facility:

Valuation summary of EAL after the Proposed Conversion	*Section Reference*	Low	High
Assessed value per EAL Share (minority basis) (A$)	*6.1*	0.139	0.160
Number of ordinary shares on issue before the Proposed Conversion (000s)		136,918	136,918
Equity value of EAL (A$000s)		19,032	21,907
Value of the First Advance (A$000s)	*7.2.1*	(1,699)	(2,296)
Value of the Second Advance (A$000s)	*7.2.1*	(525)	(738)
Adjusted equity value per EAL Share (minority basis) (A$000s)		**16,808**	**18,873**
Number of ordinary shares on issue before the Proposed Conversion (000s)		136,918	136,918
Assessed value per EAL Share (minority basis) (A$)		**0.123**	**0.138**

Source: Capital IQ

7.2.1 Black Scholes options pricing assumptions

In assessing the option value of the Loan Facility, Grant Thornton Corporate Finance has adopted the following assumptions:

- Share price in the range of A$0.139 and A$0.16 which is consistent with our assessment of EAL on a minority basis before the Proposed Conversion.
- Strike price of A$0.18 for the First Advance and A$0.25 for the Second Advance.

Grant Thornton
An instinct for growth™

- Interest rate of 1.77% based on the two year Australian Government Bond Rate.
- Term of two years based on the expiry of the Loan Facility.
- Volatility of 60% based on the share price volatility of EAL over a historical two year period.
- Foreign exchange rate of US$1.00 = A$0.70 being the approximate spot exchange rate.

Set out below is a sensivity of the value of EAL based on different exchange rates which has an impact on the strike price which is expressed in A$.

Sensitivity analysis					
Exchange rate (A$)	0.600	0.650	**0.700**	0.750	0.800
Low value per EAL share (A$)	0.120	0.122	**0.123**	0.124	0.125
Exchange rate (A$)	0.600	0.650	**0.700**	0.750	0.800
High value per EAL share (A$)	0.134	0.136	**0.138**	0.139	0.141

Source: Grant Thornton Corporate Finance calculations

7.3 Scenario 3 - Full dilutionary impact of the Loan Facility

Under this scenario, Grant Thornton has assumed that the Second Tranche will be drawn down by EAL following approval of the Proposed Conversion in December 2015 and that LIM will exercise its Conversion Rights at the expiry of the Loan Facility on 31 August 2017. As a result, the principal amount of the loan advances and the unpaid interest will be converted into EAL Shares.

Set out below is a summary of our valuation assessment of EAL after approval of the Proposed Conversion on a fully diluted basis.

Valuation summary of EAL after the Proposed Conversion	*Section Reference*	Low	High
Assessed value per EAL Share (minority basis) (A$)	*6.1*	0.139	0.160
Number of ordinary shares on issue before the Proposed Conversion (000s)	*4.6*	136,918	136,918
Equity value of EAL (A$'000s)		19,032	21,907
Conversion of First Advance plus capitalised interest (A$'000s)	*7.3.1*	9,698	11,190
Conversion of Second Advance plus capitalised interest (A$'000s)	*7.3.2*	6,308	7,278
Adjusted equity value per EAL Share (minority basis) (A$'000)		**35,037**	**40,375**
Number of ordinary shares on issue after the Proposed Conversion (000s)	*7.3.3*	216,027	228,198
Assessed value per EAL Share (minority basis) (A$)		**0.162**	**0.177**

Source: Grant Thornton Corporate Finance Calculations

7.3.1 Conversion of the First Advance

In estimating the total value of the First Advance, we have assumed that the First Advance will be converted at expiry. The calculation of the total amount of the First Advance including capitalised interest is set out in the table below:

Conversion of First Advance		Low	High
First Advance (US$'000)		6,000	6,000
Interest (US$'000)		1,273	1,273
First Advance plus capitalised interest (US$'000)		7,273	7,273
Foreign exchange rate US$1.00 = A$		0.75	0.65
First Advance plus capitalised interest A$'000s		**9,698**	**11,190**
Conversion price (A$)		0.18	0.18
Number of shares to be issued (000s)		**53,877**	**62,166**

Source: Grant Thornton Corporate Finance Calculations

7.3.2 Conversion of the Second Advance

In estimating the total value of the Second Advance, we have assumed that the Second Advance will be drawn down on 1 December 2015 and converted at the expiry of the Loan Facility. The calculation of the total amount of the Second Advance including capitalised interest is set out in the table below:

Conversion of Second Advance		Low	High
Second Advance (US$'000s)		4,000	4,000
Interest (US$'000)		731	731
Second Advance plus capitalised interest - US$000s		4,731	4,731
Foreign exchange rate US$1.00 = A$		0.75	0.65
Second Advance plus capitalised interest A$'000s		**6,308**	**7,278**
Conversion price (A$)		0.25	0.25
Number of shares to be issued (000s)		**25,232**	**29,114**

Source: Grant Thornton Corporate Finance Calculations

7.3.3 Number of shares on issue after the approval of the Proposed Conversion

Set out in the table below are the potential number of EAL on issue assuming the Proposed Conversion is approved:

Number of EAL Shares on issue after the Proposed Conversion	*Section Reference*	Low	High
Number of shares on issue before the approval of the Proposed Conversion	*4.6*	136,918	136,918
Number of EAL Shares issued on conversion of the First Advance	*7.3.1*	53,877	62,166
Number of EAL Shares issued on conversion of the Second Advance	*7.3.2*	25,232	29,114
Number of EAL Shares on issue after the approval of the Proposed Conversion		**216,027**	**228,198**

Source: Grant Thornton Corporate Finance Calculations

Under the terms of the Financing Agreement, the First Advance is convertible at A$0.18 while the Second Advance is convertible at A$0.25.

Grant Thornton
An instinct for growth™

8 Sources of information, disclaimer and consents

8.1 Sources of information

In preparing this report Grant Thornton Corporate Finance has used various sources of information, including:

- Notice of Meeting and Explanatory Memorandum.
- Annual reports/ consolidated accounts of EAL for FY15, HY15 and FY14.
- Announcements made by EAL on the ASX.
- EAL's website.
- S&P Capital IQ.
- IBISWorld.
- Various brokers' reports.
- Other publicly available information.
- Discussions with EAL Management.

8.2 Qualifications and independence

Grant Thornton Corporate Finance Pty Ltd holds Australian Financial Service Licence number 247140 under the Corporations Act and its authorised representatives are qualified to provide this report.

Grant Thornton Corporate Finance provides a full range of corporate finance services and has advised on numerous takeovers, corporate valuations, acquisitions, and restructures. Prior to accepting this engagement, Grant Thornton Corporate Finance considered its independence with respect to and all other parties involved in the Proposed Conversion with reference to the ASIC Regulatory Guide 112 "Independence of expert" and APES 110 "Code of Ethics for Professional Accountants" issued by the Accounting Professional and Ethical Standard Board. We have concluded that there are no conflicts of interest with respect to EAL, its shareholders and all other parties involved in Proposed Conversion.

Grant Thornton Corporate Finance and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with EAL or its associated entities that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Proposed Conversion.

Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the Proposed Conversion, other than the preparation of this report.

Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this report. This fee is not contingent on the outcome of the Proposed Conversion. Grant Thornton Corporate Finance's out of pocket expenses in relation to the preparation of the report

Grant Thornton
An instinct for growth™

will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this report.

8.3 Limitations and reliance on information

This report and opinion is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

Grant Thornton Corporate Finance has prepared this report on the basis of financial and other information provided by EAL and publicly available information. Grant Thornton Corporate Finance has considered and relied upon this information. Grant Thornton Corporate Finance has no reason to believe that any information supplied was false or that any material information has been withheld. Grant Thornton Corporate Finance has evaluated the information provided by EAL through inquiry, analysis and review, and nothing has come to our attention to indicate the information provided was materially misstated or would not afford reasonable grounds upon which to base our report. Nothing in this report should be taken to imply that Grant Thornton Corporate Finance has audited any information supplied to us, or has in any way carried out an audit on the books of accounts or other records of EAL.

This report has been prepared to assist the Directors in advising Non-Associated in relation to the Proposed Conversion. This report should not be used for any other purpose. In particular, it is not intended that this report should be used for any purpose other than as an expression of Grant Thornton Corporate Finance's opinion as to whether the Proposed Conversion is fair and reasonable to Non-Associated.

EAL has indemnified Grant Thornton Corporate Finance, its affiliated companies and their respective officers and employees, who may be involved in or in any way associated with the performance of services contemplated by our engagement letter, against any and all losses, claims, damages and liabilities arising out of or related to the performance of those services whether by reason of their negligence or otherwise, excepting gross negligence and wilful misconduct, and which arise from reliance on information provided by EAL, which EAL knew or should have known to be false and/or reliance on information, which was material information EAL had in its possession and which EAL knew or should have known to be material and which did not provide to Grant Thornton Corporate Finance. EAL will reimburse any indemnified party for all expenses (including without limitation, legal expenses) on a full indemnity basis as they are incurred.

8.4 Consents

Grant Thornton Corporate Finance consents to the issuing of this report in the form and context in which it is included in the Notice of Meeting and Explanatory Memorandum to be sent to the EAL Shareholders. Neither the whole nor part of this report nor any reference thereto may be included in or with or attached to any other document, resolution, letter or statement without the prior written consent of Grant Thornton Corporate Finance as to the form and content in which it appears.

Grant Thornton
An instinct for growth™

Appendix A – Valuation methodologies

Capitalisation of future maintainable earnings

The capitalisation of future maintainable earnings multiplied by appropriate earnings multiple is a suitable valuation method for businesses that are expected to trade profitably into the foreseeable future. Maintainable earnings are the assessed sustainable profits that can be derived by a company's business and excludes any abnormal or "one off" profits or losses.

This approach involves a review of the multiples at which shares in listed companies in the same industry sector trade on the share market. These multiples give an indication of the price payable by portfolio investors for the acquisition of a parcel shareholding in the company.

Discounted future cash flows

An analysis of the net present value of forecast cash flows or DCF is a valuation technique based on the premise that the value of the business is the present value of its future cash flows. This technique is particularly suited to a business with a finite life. In applying this method, the expected level of future cash flows are discounted by an appropriate discount rate based on the weighted average cost of capital. The cost of equity capital, being a component of the WACC, is estimated using the Capital Asset Pricing Model.

Predicting future cash flows is a complex exercise requiring assumptions as to the future direction of the company, growth rates, operating and capital expenditure and numerous other factors. An application of this method generally requires cash flow forecasts for a minimum of five years.

Orderly realisation of assets

The amount that would be distributed to shareholders on an orderly realisation of assets is based on the assumption that a company is liquidated with the funds realised from the sale of its assets, after payment of all liabilities, including realisation costs and taxation charges that arise, being distributed to shareholders.

Market value of quoted securities

Market value is the price per issued share as quoted on the ASX or other recognised securities exchange. The share market price would, prima facie, constitute the market value of the shares of a publicly traded company, although such market price usually reflects the price paid for a minority holding or small parcel of shares, and does not reflect the market value offering control to the acquirer.

Comparable market transactions

The comparable transactions method is the value of similar assets established through comparative transactions to which is added the realisable value of surplus assets. The comparable transactions method uses similar or comparative transactions to establish a value for the current transaction.

Comparable transactions methodology involves applying multiples extracted from the market transaction price of similar assets to the equivalent assets and earnings of the company. The risk attached to this valuation methodology is that in many cases, the relevant transactions contain features that are unique to that transaction and it is often difficult to establish sufficient detail of all the material factors that contributed to the transaction price.

Grant Thornton
An instinct for growth™

Appendix B – Glossary

Term	Definition
$	Australian Dollar
APES	Accounting Professional and Ethical Standards
APES110	Code of ethics for Professional Accounting
ASIC	Australian Securities Investment Commission
ASX	Australian Stock Exchange
Coffey	Coffey International Limited
Conversion Price	The price at which the Advances convert at
Conversion Rights	The Loan Facility provides LIM with rights to convert loan advances plus capitalised and unpaid interest
Corporations Act	Corporations Act 2001
DCF	Discounted Cash Flow
Deed Poll	Mr Young and Mr Vartuli, directors of EAL entered into an agreement with LIM to vote in favour of the Proposed Conversion in respect to 10% of the EAL Shares they hold
Directors	The Directors of EAL
EAL Shareholders	The shareholders of EAL
EAL Shares	Ordinary voting shares in EAL
EAL, or The Company	E&A Limited
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
EBITDA Multiple	EV/EBITDA
EMH	Efficient Market Hypothesis
EV	Enterprise Value
First Advance	US$6.0 million which is convertible into EAL Shares at A$0.18 per share
FSG	Financial Services Guide
Funding Agreement	Funding agreement dated 31 August 2015 with LIM Opportunistic Credit Master Fund to provide EAL with a secured convertible loan facility of up to US$10 million.
FYXX	Financial year ended 30 June 20XX
GDP	Gross domestic product
Grant Thornton Corporate Finance	Grant Thornton Corporate Finance Pty Ltd
LIM	LIM Opportunistic Credit Master Fund, a fund managed by LIM Advisors Limited
LNG	Liquefied Natural Gas

Term	Definition
NBN	National Broadband Network
Non-Associated Shareholders	EAL Shareholders not associated with LIM
PIK	Payment in Kind Interest
Proposed Conversion	LIM exercising its Conversion Rights that may increase its equity interest in EAL
RG	Regulatory Guide
RG111	ASIC Regulatory Guide 111 “Contents of expert reports”
RG112	ASIC Regulatory Guide 112 “Independence of Experts”
RG74	ASIC Regulatory Guide 74 “Acquisitions agreed to by shareholders”
Second Advance	US$4.0 million which in convertible into EAL Shares at A$0.25 per share at LIM’s discretion
The Loan Facility	A secured convertible loan facility of up to US$10 million.
VWAP	Volume Weighted Average Price
WACC	Weighted Average Cost of Capital

Grant Thornton
An instinct for growth™

Appendix C – Comparable company descriptions

Company	Description
WorleyParsons Limited	WorleyParsons Limited provides professional services to the resources, energy, and industrial sectors. It provides engineering design and project delivery services, including maintenance, reliability support, and advisory services. The company operates through Hydrocarbons; Minerals, Metals & Chemicals; and Infrastructure segments. It offers engineering and project management services to the floating production systems, heavy oil and oil sands, offshore topsides, offshore pipelines and subsea systems, onshore pipelines and receiving terminals, onshore oil and gas production facilities, sulphur recovery plants, marine riser systems, unconventional oil and gas facilities, and Arctic developments, as well as for petrochemicals, refining, and LPG sectors. The company also provides engineering and project services for minerals, metals, and chemicals markets comprising base metals, precious metals, coal, fertilizers, chemicals, ferrous metals, alumina, aluminum, iron ore, bauxite, and gas cleaning industries. In addition, it offers infrastructure solutions, such as transportation and utility services to roads, rail, ports and marine terminals, water, and wastewater industries; and specialist consulting in the areas of environment, restoration, geotechnics, geomatics, planning, and advanced analysis. Further, the company provides its professional services to coal-fired power, gas-fired power, nuclear, renewable energy, and resource power industries, as well as power networks. The company has operations in Australia, the Asia Pacific, China, North America, Latin America, Europe, the Middle East, North Africa, and Sub-Saharan Africa. WorleyParsons Limited was founded in 1971 and is based in North Sydney, Australia.
Downer EDI Limited	Downer EDI Limited, together with its subsidiaries, provides engineering, construction, and maintenance services to customers in the transportation, mining, energy and industrial engineering, utilities, communications, and facilities sectors. It operates through six segments: Transport Services; Technology and Communications Services; Utilities Services; Engineering, Construction and Maintenance (EC&M); Mining; and Rail. The Transport Services segment offers construction, development, management, and maintenance services of infrastructure for road, rail, light rail, bus, port, and airport assets for public and private sector customers. The Technology and Communications Services segment provides infrastructure management solutions for customers in the technology and communications industries. The Utilities Services segment offers asset lifecycle services to customers in the power, gas, water, and renewable energy industries. The EC&M segment provides plant construction and maintenance services, including electrical and instrumentation, as well as structural, mechanical, and piping services; balance of plant services on greenfield and brownfield projects of various sizes and structures; and consulting services to minerals and metals customers. The Mining segment engages in the provision of contract mining services to resource owners, such as open-cut and underground operations, mine planning, explosives, and tire management, as well as operational and exploration drilling, and blasting services. The Rail segment is involved in the supply, maintenance, component overhaul, and provision of after-market parts to the Australian freight and passenger rail sectors. The company primarily serves customers in Australia, New Zealand, the Asia-Pacific region, South America, and Southern Africa. Downer EDI Limited is headquartered in North Ryde, Australia.
RCR Tomlinson Limited	RCR Tomlinson Limited, a multi-disciplinary engineering company, together with its subsidiaries, provides integrated engineering solutions to the resources, energy, mining, and infrastructure sectors in Australia and internationally. The company operates through three segments: RCR Infrastructure, RCR Resources, and RCR Energy. The RCR Infrastructure segment provides electrical and instrumentation services; railway signaling design and installation, and overhead wiring systems; power generation, transmission, distribution system, and generator maintenance services; process control instrumentation services; fire and data communications systems; water treatment solutions; installation and maintenance of mechanical engineering, as well as heating, ventilation, and air conditioning systems; and facilities management services. This segment offers its products and services under the RCR, O'Donnell Griffin, Haden, and Resolve FM brands. The RCR Resources segment provides engineering, construction, maintenance, and shutdown services; turnkey material handling solutions from design and manufacture; specialist shutdown and heat treatment services to off-site repairs; and heavy engineering equipment maintenance services. The RCR Energy segment offers integrated solutions for power generation and thermal energy plants, components, and systems; servicing and maintenance services; proprietary heat recovery steam generators; and laser cutting services. The company also provides switchboards, enclosures and frames, and high voltage mining substations and switchgear transformers; materials handling equipment, including apron feeders, belt reelers, belt feeders, stackers and conveyors, and trommels; sizing and screening equipment; crushing and screening plants; and mobile mining equipment. RCR Tomlinson Limited is headquartered in Perth, Australia.
Decmil Group Limited.	Decmil Group Limited, through its subsidiaries, provides design, engineering, and construction works for the oil and gas, resources, government, and infrastructure sectors in Australia and internationally. It operates through three segments: Construction and Engineering, Accommodation, and Other. The company engages in concrete civil works on brown and greenfield projects in regional and remote areas; construction of industrial infrastructure, including industrial buildings, processing plants, workshops, and storage facilities; project development from design, site preparation, and excavation to bulk earthworks, civil works, and construction; government infrastructure projects, such as accommodation, immigration facilities, office buildings, defense facilities, administration buildings, and storage facilities; road and bridge civil engineering projects; mechanical fabrication, and manufacture and installation of high pressure piping and tanking; and design and construction of fuel infrastructure facilities. It also builds, owns, and operates accommodation villages in remote areas; owns and manages commercial properties; and provides a range of design, installation, and maintenance services of telecommunications, data networks, access controls, operational technology, process controls, fire detections, and security to the mining, oil and gas, infrastructure, and government sectors. In addition, the company focuses on build-own-operate infrastructure assets and public-private-partnerships. Decmil Group Limited was founded in 1979 and is headquartered in Osborne Park, Australia.

Company	Description
Monadelphous Group Limited	Monadelphous Group Limited, an engineering group, provides construction, and maintenance and industrial services to the resources, energy, and infrastructure sectors in Australia. The company conducts its operations through two divisions, Engineering Construction; and Maintenance and Industrial Services. The Engineering Construction division provides large-scale multidisciplinary project management and construction services, including construction management and execution; civil and electrical construction packages; turnkey design and construction; the fabrication and installation of structural steel, tankage, mechanical works, and process equipment and piping; fabrication and procurement; modularization and off-site pre-assembly; demolition and remediation works; offshore construction of plant and infrastructure; and plant commissioning services. The Maintenance and Industrial Services division offers multidisciplinary maintenance and improvement solutions, such as structural, mechanical, piping, electrical and instrumentation, and civil maintenance services, as well as minor capital works, shutdowns, and operations and facilities management services. Monadelphous Group Limited was founded in 1972 and is headquartered in Victoria Park, Australia.
Ausenco Limited	Ausenco Limited, together with its subsidiaries, provides engineering, construction, and project management services to the resources and energy markets in Australia and internationally. The company offers environmental and social, sustainability, mining engineering, geotechnical and civil, water management, and tailings and mine waste management solutions; mineral processing solutions, such as concentrators, hydrometallurgy, smelting, heap leach facility design, and comminution services; and oil sands, upgrading/refining, terminals and transportation systems, conventional upstream and midstream, technical consultancy, and specialty services for oil and gas sector. It also provides services in the area of power generation, renewable power, alternative energy, energy transport, and control systems; transportation system services, such as bulk materials handling, heavy haul rail and transportation systems, and simulation services; ports and terminal services comprising arctic and coastal engineering, and offshore and marine structure services; and pipeline system solutions, including slurry pipeline, control systems, tailings pipelines, water pipelines, oil and gas pipelines, and pipeline operations software. In addition, the company offers operations and maintenance solutions, such as contract operations, continuous improvement, operational readiness, asset management, and reliability engineering; and infrastructure services for roads, bridges, water treatment, light rail systems, mine and industrial, and control systems. Further, it provides services in the areas of program management, engineering, global procurement, construction management, commissioning, EPC/EPCM, studies and technical solutions, and control systems, as well as designs systems that treat and handle commodities. Ausenco Limited was founded in 1991 and is headquartered in South Brisbane, Australia.
Calibre Group Limited	Calibre Group Limited provides engineering, consulting, project delivery, construction, and asset management services in Australia and internationally. It operates through three segments: Infrastructure, Consulting, and Resources. The company offers asset creation services, such as asset evaluation and consulting, pre-feasibility and feasibility studies, and planning services for mine, rail, and infrastructure markets; and engineering and project delivery services to mineral and energy markets. It also provides operational, maintenance, and refurbishment services, as well as support services focusing on the safety and health of people, environmental monitoring and management, and mine closure and rehabilitation services; technology services comprising process optimization, automation and controls, industrial communications, train and network simulation and modelling, rail signaling and communications, railway operations management, remote operations enablement, and simulations of and training in equipment operation. In addition, the company offers materials handling, processing, and mine infrastructure services for the iron ore, coal, bauxite, and base and precious metals sectors; and rail track and civil, and rail operation services, as well as rail signaling, system, and communication services for the heavy haul rail market. Further, it provides engineering, project management, and consulting services for the design and construction of social, civil, and resources related infrastructure market; and safety and health consultation, planning, and training services to the resources and infrastructure sectors. The company was founded in 2002 and is headquartered in Perth, Australia. Calibre Group Limited is a subsidiary of FR Calibre B.V.
Lycopodium Ltd.	Lycopodium Limited provides engineering consultancy services in Australia and internationally. The company offers feasibility studies, value engineering, project development, and implementation services to mineral, process, and infrastructure industries. It also provides a range of services, including rail infrastructure management; asset management; engineering design; transport and logistics studies; and interface management services comprising third party works management and independent project verification services to the rail industry. In addition, the company offers asset management services, such as asset information management, maintenance and integrity management, spare parts management, risk management, and performance assessment and improvement to petrochemicals, oil and gas, mining, minerals, marine, infrastructure, and manufacturing sectors. Further, it provides metallurgical and comminution consulting services in the fields of comminution, hydrometallurgy, and mineral processing design. The company was founded in 1992 and is East Perth, Australia.
Logicamms Limited	LogiCamms Limited, together with its subsidiaries, provides engineering consulting, project delivery, maintenance, asset performance, and training services to support owners and operators of hydrocarbons, minerals and metals, and infrastructure industries in Australia, New Zealand, and internationally. The company offers consultancy services, including competency training, environmental, and asset performance services. It also provides process, civil and structural engineering, mechanical and piping, electrical and instrumentation, EPC/design and construct, EPCM, and project management services; consulting and support services in the hazardous, functional safety, process safety, critical function testing, logisupport, and mobile machines areas, as well as type B compliance services; and automation and control systems. In addition, the company provides integrated services for implementations, maintenance, completions, testing, and shutdowns services. LogiCamms Limited was founded in 1988 and is based in Spring Hill, Australia.

Grant Thornton
An instinct for growth™

Appendix D – Description of target companies

Target Company	Description
Coffey International Limited	Coffey International Limited provides consulting services in the geoservices, international development, and project management areas worldwide. The company offers geotechnical engineering, deep foundation, drilling, earthquake engineering, geo-technology and virtual reality, geophysics, ground improvement, ground interpretation, groundwater management, numerical modelling, pavement, slope engineering, and expert witness reports and evidence services, as well as services related to retention systems, temporary works, underground spaces, and water retention dams. It also provides development assistance services, such as fund and grant management, gender and social inclusion, organizational development and training, project design and management, scaling up, and strategic communications services, as well as research, monitoring, and evaluation services. In addition, the company offers environmental monitoring and performance management, asbestos, and site assessment and remediation services; and geo-technology and virtual reality, metallurgical process engineering and independent technical advice, mine engineering, resource geology, tailings and geotechnical engineering, environmental management, and technical audit and advisory services. Further, it provides project planning and scheduling, design and risk management, value management, contract administration, and project commissioning and handover management services; and Building Information Modelling, a solution to coordinate and visualize project designs, and assist in construction sequencing and planning, as well as produce accurate real time as built documents, asset management, and maintenance documents. Additionally, the company offers soil, rock, materials, geotechnical, concrete, aggregate, and earthworks testing services. It serves International development, mining, oil and gas, property, and transport infrastructure industries. The company was founded in 1959 and is headquartered in Chatswood, Australia.
Cardno Limited	Cardno Limited, an infrastructure and environmental services company, provides professional services in the development and improvement of physical and social infrastructure for communities worldwide. The company offers a range of integrated services in the market sectors of buildings, land, coastal and ocean, environment, emerging markets, management services, energy and resources, transportation, water, and defense. Its services include technical and economic feasibility of a project; planning services consisting of statutory planning, urban development, master planning and design, mapping and surveying, and transportation planning; environmental consulting in the areas of natural systems assessment and management, environmental impact assessment and monitoring, agricultural development, climate change management, conservation, and rehabilitation; and engineering design of functional structures, spaces, and systems. The company's services also comprise project management services for the delivery and maintenance of infrastructure and development works; construction management services consisting of building services, construction and demolition, construction materials testing and inspections, and subsurface utility engineering; and asset management, facilities management, and infrastructure services. In addition, it offers management consulting; materials testing services for building, infrastructure, and mining projects; and development assistance services, as well as software and technology solutions that aid planning and design for engineers and planners in various industries. Cardno Limited was founded in 1945 and is headquartered in Fortitude Valley, Australia.
Mancala Holdings Pty Ltd	Mancala Holdings Pty Ltd. provides design, engineering, construction, excavation, and mining services to the mineral and civil construction industries in Australia. The company also offers shaft construction solutions and ancillary services; and commercial services, including tunneling, parking solutions, tunnel ventilation, and tunnel lining. Its mining services include raise drilling, shaft sinking, horadiam stripping, down benching, shotcrete/concrete/steel shaft lining, shaft rehabilitation, narrow vein mining, open cut mining, and mine development, as well as shaft equipping, including emergency egress systems. The company also offers equipment for sale and hire. Mancala Holdings Pty Ltd. was founded in 1990 and is based in Glen Waverley, Australia. As of January 7, 2014, Mancala Holdings Pty Ltd operates as a subsidiary of Sapphire Corporation Limited.
Sinclair Knight Merz Management Pty Limited	As of December 13, 2013, Sinclair Knight Merz Management Pty Limited operates as a subsidiary of Jacobs Australia Holdings Company pty Ltd.
Greencap Limited	Greencap Limited provides professional consulting services, and advice in relation to a range of risk management services primarily in Australia and Southeast Asia. It operates through Property & WHS, Environmental, and Corporate segments. The company's risk management services include workplace health and safety, property risk management, business continuity management, sustainability, environmental, asbestos and hazardous materials risk management, contaminated sites management, and fire safety and engineering services, as well as training, testing, and Web based risk management solutions. It serves business and government entities in the education, property, resources, industrial, manufacturing, retail, and services sectors. The company is based in Kew East, Australia. As of November 29, 2013, Greencap Limited operates as a subsidiary of Wesfarmers Industrial And Safety Pty Ltd.
Clough Limited	Clough Limited provides engineering, procurement, construction, commissioning, and asset support services to oil and gas, and minerals sectors in Australia and internationally. It offers engineering, procurement, construction, commissioning, and asset support services for upstream, downstream, offshore, onshore, oil, gas, LNG, and petrochemical falsities, as well as assist clients to extract, process, store, and export various minerals iron ore, coal, alumina, aluminum, copper, gold, limestone, mineral sands, nickel, pig iron, zinc, and lead projects. It also provides its services for water and wastewater projects. The company was founded in 1919 and is headquartered in Perth, Australia. Clough Limited is a subsidiary of Murray & Roberts Holdings Limited.

Target Company	Description
Eastcoast Development Engineering Pty Ltd	Eastcoast Development Engineering Pty Ltd. offers engineering, manufacturing, construction, and maintenance services in Australia and the Pacific Rim. The company specializes in the construction, maintenance, and project management of products and projects for oil and gas, mining mineral, processing, power generation, mechanical processing, sugar cane milling, and general construction industries. It also manufactures pipe spooling in carbon, alloy, and stainless steels, as well as heat exchangers, pressure vessels, and storage tanks. In addition, the company offers general fabrication and engineering, mechanical construction, procurement, stress relief and heat treatments, pipe manipulations, balance of plant supplies, mechanical and piping installation, shutdowns, plant maintenance/upgrades, maintenance, emergency breakdown repairs, and commissioning services. Eastcoast Development Engineering Pty Ltd. was incorporated in 2000 and is based in Murarrie, Australia. As of April 18, 2013, Eastcoast Development Engineering Pty Ltd operates as a subsidiary of Decmil Group Limited.
BEC Engineering Pty Ltd	BEC Engineering Pty Ltd., an electrical engineering consultancy, provides engineering services for industrial and public utility sectors in Australia and internationally. It offers power generation design, construction supervision, and commissioning services, as well as power station audits, generation control systems and operator interfaces, and project management services for power station projects in mining and regional centers. The company also provides electrical power system design services for generation, transmission, and distribution; power system studies and fault analysis; and protection schemes, harmonic distortion analysis, electrical safety audits, energy management, power factor correction, insurance and accident investigation, and earthing system design and auditing services. In addition, it offers plant control system audits, process optimization, and remote site support services for process control systems; automation feasibility studies, field installation audits, and plant optimization services for automated systems; and fault finding and commissioning, hazardous area classification, and installation/equipment audits and inspection services. Further, the company provides project engineering, maintenance planning, and power station audits and corrective actions, as well as electrical safety audits for surface and underground plant equipment. Furthermore, it offers feasibility studies; engineering design, drafting, and CAD services; commissioning and training services; and engineering, procurement, and construction management contract services. BEC Engineering Pty Ltd. serves oil and gas, utility, mining, materials handling, industrial, and petrochemical sectors. The company was founded in 1996 and is based in Perth, Australia with additional offices in Perth, Brisbane, and Tanzania. As of June 30, 2011, BEC Engineering Pty Ltd operates as a subsidiary of Cardno Limited.
Evans & Peck Group Pty Ltd	Evans & Peck Group Pty Ltd., an advisory firm, provides project and business solutions to customers engaged in developing, operating, and maintaining physical assets in the infrastructure and resources industries. It offers services in the areas of policy and strategy; business cases; finance, project finance, and PPP; contractual services and forensic analysis; transaction management and procurement; delivery support; portfolio, program, and project excellence; and operational readiness and support services. It serves public and private sector customers in hydrocarbons, minerals and metals, social infrastructure, power, water, and transport sectors primarily in Australia, New Zealand, Hong Kong, China, Africa, and the Middle East. Evans & Peck Group Pty Ltd. was formerly known as EP Group Pty Ltd. and changed its name to Evans & Peck Group Pty Ltd. in June 2008. The company was founded in 1985 and is based in Chatswood, Australia. As of December 22, 2009, Evans & Peck Group Pty Ltd. operates as a subsidiary of Worleyparsons Infrastructure Holdings Pty Limited.
GRD Limited	GRD Limited was acquired by AMEC plc. GRD Limited offers engineering and project development services in Australia. The company designs, procures, and constructs mineral resources and waste-to-resources projects. It also provides asset management services to the resources sector. GRD Limited was incorporated in 1986 and is based in Perth, Australia.