

59 Belmont Avenue Belmont WA 6104
PO Box 414 Belmont WA 6984

Telephone +61 8 9262 9999

Facsimile +61 8 9262 9998

www.paladio.com.au

Paladio Group Limited ABN 35 111 210 390

16 June 2009

Company Announcements Office
Australian Stock Exchange
Level 10, 20 Bond Street
SYDNEY NSW 2000

By ASX Online

No. of pages: 3

CHAIRMAN'S ADDRESS

Attached is the Chairman's Address to be delivered at Paladio Group Limited's (ASX: PDO) general meeting scheduled to commence at 10.00am WST later this morning.

Yours faithfully,
PALADIO GROUP LIMITED



Michael J Buckmaster
Company Secretary

Chairman's Address to the Paladio Group Limited General Meeting - 16 June 2009

On behalf of the Board of Directors, it is my pleasure to welcome you to this general meeting of Paladio Group Limited.

Our Chairman, Mr Dennis O'Neill is unable to be with us today and has asked me [Denis Criddle] to chair this shareholder meeting on his behalf and I am delighted to do so.

I would like to take this opportunity to introduce my fellow Directors and a number of the executive management team who are with us today.

Paladio Director Mr Geoff Allen, who joined the Board in April 2009, was a former Director of Multiplex Constructions from 1969 to 2003 and has served in various roles for Multiplex during that period, including as deputy Chairman and Managing Director from 1989 to 2003.

He was Chairman of Nomad Building Solutions from that company's listing on the ASX in 2006 until 2008. Over the past 30 years Geoff has also served in various capacities with the Australian Institute of Building and the Master Builders Association of WA.

Paladio Director Mr Bill Healy, who also joined the Board in April 2009, was a Director of Sealcorp Holdings from 1985 which then established and developed the diversified financial services group. He was a Director of ASGARD Capital Management Ltd, Securitor financial Group Ltd, PACT Investment Group Pty Ltd and ASSIRT Pty Ltd.

Sealcorp was acquired by St George Bank in 1997 and Bill remained on the Board until 1999. He was founding Director and Chairman of BOOM Logistics and was involved in the development of that company's business model, early acquisitions and preparation for listing in 2003.

Both these gentlemen bring a wealth of experience to our Board and will be standing for election at our AGM in November 2009.

Also present is Paladio Director Mr Robert Franco who has been a valued member of our Board since Paladio's listing in 2004. Robert was previously involved in a business development and financial management role with Fero Industries Pty Ltd, a rapidly expanding company in the mining services industry. He was also an engineering consultant for a major multi-disciplinary firm operating throughout Australia, holding status as a chartered professional engineer.

Our Company Secretary, Michael Buckmaster is present and will take the minutes of today's meeting.

We also have a number of our executive team with us today. I would like to introduce your Chief Operating Officer Mr Scott Criddle. Scott has made an outstanding contribution to the group in the past 12 to 18 months. Under Scott's leadership, our dominant subsidiary Decmil Australia has achieved outstanding growth in a highly competitive market and secured a strong foundation for the group to build on in the immediate future.

Scott will assume the role of Chief Executive Officer on 1 July 2009 and the Board takes this opportunity to publicly congratulate Scott on his appointment. Scott takes over as CEO from Mr Victor Kuss who is also here today. I would like to thank Victor for his contribution to the company and his assistance to the Board and Scott during the current transition period.

Mr Dickie Dique is also with us today and will assume the role of Decmil Australia Managing Director on 1 July. Dickie has a strong track record of leading in the delivery of excellence in operational performance and the Board looks forward to reporting on Decmil Australia's continued success.

Before attending to the resolution on the proposed name change to be dealt with at this meeting, I would like to provide a brief update on a number of important decisions the company has taken since the AGM held in November 2008 which provides some useful background to today's resolution.

Last year Decmil Australia contributed around 90 percent of the group's earnings with the Engineering Services business and Novacoat contributing about 5 percent each.

In April the Board announced its decision to change the company's strategic direction and concentrate activities on the Western Australian mining, oil and gas, and infrastructure sectors where the group was experiencing strong demand.

This decision was a decisive response to the severe downturn on the global and nation economic conditions in late 2008 and early 2009 and the strong negative impact on the engineering and construction sector in eastern Australia.

While the sector in Western Australia has also been adversely affected by the economic slowdown as many companies have deferred projects, a number of blue chip companies – such as Woodside, BHP Billiton and Rio Tinto have continued with expansion plans.

Decmil Australia has established a strong reputation for the design, engineering and construction of civil works, non-processing infrastructure and accommodation villages with major companies over its 30-year history.

Decmil Australia's most recent contracts - all of which are WA - include:

- Workshops for Rio Tinto's Brockman mine north of Tom Price for \$25 million
- Three projects for BHP Billiton including construction of the building complex at Finucane Island in Port Hedland for \$38 million, construction of the accommodation village at the Marillana camp at Yandi for \$22 million and most recently the \$57 million contract to construct the Port Haven accommodation village at Port Hedland.
- Woodside was Decmil's maiden client in 1979 and in 2009 we have been busy on a number of contracts totalling \$230 million for the development of the Pluto LNG Project on the Burrup Peninsular
- The total value of all these contracts total almost \$316 million

Decmil Australia's success is built on a reputation established in the resources and oil and gas sectors in Western Australia's North West, established over three decades.

It has strong brand awareness in these sectors and has extended its strategic focus to include opportunities in regional infrastructure.

For the reasons I have outlined - the change in the company's geographical focus, the market recognition of the Decmil Australia brand and the dominance of this subsidiary's contribution to the group's earnings – your Board believes there is significant merit in changing the company's name to Decmil Group Limited.

The Board is confident this change will more closely align the group's strongest performing subsidiary, Decmil Australia, with the listed entity and will generate increased awareness and recognition in the financial market and financial media.

I will now move onto the formal matters before today's meeting. The only item on the agenda is Resolution 1 as set out in the Notice of Meeting.

Mr Buckmaster has advised me that a quorum of shareholders is present and I therefore declare the meeting open.

You have all received the Notice of Meeting detailing the business to be dealt with today. If there are no objections I move that the Notice of Meeting be taken as read.

Resolution 1 states:

“That, pursuant to Section 157(1) of the Corporations Act and for all other purposes, approval is given for the Company to change its name to Decmil Group Limited.”

I confirm that the Company has received a total of 65,341,110 proxy votes for this resolution, 62,874,440 of those are in favour of the resolution, 207,094 are against and 846,666 have abstained. I, as Chairman, have received 1,412,910 discretionary votes and I intend to vote those discretionary votes in favour of the resolution. I now move the motion that Resolution 1 be put to the meeting.

[Resolution put to vote on a show of hands, poll called if required, results announced.]

Ladies and gentlemen, that concludes today's meeting and I thank you for your attendance.