



**SOUTHERN CROSS
ELECTRICAL
ENGINEERING LIMITED**

ASX RELEASE

14 June 2010

Manager
Company Announcement Office
Australian Stock Exchange
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Appointment of Managing Director

Southern Cross Electrical Engineering Limited (ASX:SXE) is pleased to announce the appointment of Simon High as Managing Director and CEO, effective August 2010.

Simon High has over 30 years experience in many aspects of the oil and gas and resources industry on a global basis. Having graduated in the UK he has worked in Project Engineering and Project Management roles for various projects in the UK, Norway, Europe and South Africa.

For the past 17 years he has worked in corporate management roles most recently as Executive Vice President Projects at Clough Limited in Perth. Simon has also had roles as Engineering Director, Managing Director, President and Divisional CEO of companies such as John Brown, Kvaerner and United Construction in Aberdeen (Scotland), Houston (USA), and Perth (Australia).

He has proven experience in CAPEX and OPEX contracting roles where he has been responsible for execution of world size projects, both off and on shore. Corporately he has overseen integration and growth of multiple businesses into a focused and profitable entity.

Mr High was a Non Executive Director of a mid-sized Australian Oil & Gas Exploration and Production Company, Coogee Resources, from early in its formation until the company was sold in 2008.

Mr. High has a track record in developing strong customer relations based on industry knowledge, performance, trust and ethical behaviour.

Mr Tomasi said he welcomed the addition of Simon to SXE and believes Simon's track record in building businesses particularly in the oil and gas area and his international experience will assist in SXE taking advantage of the growth opportunities that exist in these key markets.

Simon is a Fellow of The Institution of Engineers Australia, a Member of the Institution of Civil Engineers (UK) and a Member of the Australian Institute of Company Directors.

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Summary of key terms and conditions of Mr Simon High's executive employment agreement with Southern Cross Electrical Engineering Limited

Term

Mr High will commence on 16th August 2010 or earlier by agreement and is for an indefinite duration and can be terminated as provided below.

Base Salary

Mr High will receive a total Base Salary of \$600,000 per annum inclusive of superannuation. This amount will be reviewed annually and may be increased at the Board's discretion.

Short Term Incentive Payment ("STIP")

The maximum annual STIP is 40% of total Base Salary. The performance measures will include EBITDA Margin, Net Profit after Tax, the Forward Contract Book and the Development and Execution of Strategy. These payments which are discretionary are made at the end of the financial year and based on individual and corporate performance.

Long Term Incentive Payment ("LTIP")

Mr High will be issued the following Performance Rights which will vest subject to the meeting of the performance conditions as measured over a three year period.

- 750,000 Performance Rights on the commencement of employment
- 500,000 Performance Rights on the first anniversary of the commencement of employment
- 250,000 Performance Rights on the second anniversary of the commencement of employment
- From the third anniversary of the commencement date the Employee will be entitled to be granted Performance Rights based on a maximum annual target incentive % of 50% of the Total Gross Salary.

The performance conditions used to determine the number of Performance Rights that will vest to Mr High are Relative Total Shareholder Return (TSR) and Absolute Earnings per Share (EPS) Growth. The vesting of 50% of the Performance Rights granted will be subject to the Relative TSR condition, while the remaining 50% of the Performance Rights will be subject to the EPS Growth condition.

Relative TSR (50% of LTIP)

- (i) No Performance Rights will vest unless the percentile ranking of the Company's TSR for the relevant 3 year period as against the Comparative TSRs for the relevant 3 year period is at or above the 50th percentile.
- (ii) If the Company's TSR for the relevant 3 year period as against Comparative TSRs is:
 - i. At the 50th percentile, then 50% of the performance rights will vest.
 - ii. Between the 51st and 74th percentile then for each percentile over the 50th, an additional 2% of the Performance Rights will vest; and
 - iii. At or above the 75th percentile then 100% of the Performance Rights will vest

Definitions:

(a) "**TSR**" means the Total Shareholder Return for a particular company for the relevant 3 year period which is calculated as follows:

(closing share price of the applicable company's shares on the ASX on the last day of the 3 year period minus the opening share price of that company's shares on the ASX on the first day of the 3 year period plus any dividends declared per share during the 3 year period) divided by (the opening share price of the applicable company's shares on the ASX on the first day of the 3 year period).

(b) “**Comparative TSR**” means the TSR of the following companies provided that any of the following companies whose shares are not quoted on the ASX for the relevant 3 year period will not be included:

Ausenco Ltd	Lycopodium Ltd	Cardno Ltd
Worley Parsons Ltd	Sedgmen Ltd	Clough Ltd
Monadelphous Ltd	Fleetwood Ltd	Coote Industrial Ltd
Campbell Brothers Ltd	Ammtec Ltd	Nomad Ltd
GRD Ltd	Mermaid Marine Ltd	VDM Group Ltd
Mac Services Ltd	Coffey Ltd	

Absolute EPS (50% of LTIP)

The Absolute EPS performance condition will be based on a range of three year compound annual growth rates which are set annually by the Board. There will be a minimum hurdle rate set below which zero Absolute EPS Performance Rights will vest and a maximum rate at which 100% of the Absolute EPS Performance Rights will vest.

Upon vesting, the Performance Rights will automatically be settled into the equivalent number of shares on the basis of one ordinary share per vested Performance Right. Any Performance Rights that do not vest and become exercisable in accordance with the vesting conditions will automatically lapse.

Termination

Mr High may resign at any time on giving six months written notice, and the Company may terminate Mr High’s employment on twelve months written notice. Any payment to be made to Mr High in lieu of notice shall be calculated based on his Base Salary. He would also receive any statutory entitlements.

There are provisions for misconduct and termination for illness and death.