



**SOUTHERN CROSS
ELECTRICAL
ENGINEERING LIMITED**

15 September 2011

The Manager

Company Announcements Office
Australian Stock Exchange Limited
Level 4, Stock Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

ELECTRONIC LODGEMENT

Dear Sir or Madam,

SXE enters into a preferred contractor agreement with Rio Tinto

Southern Cross Electrical Engineering Ltd (ASX:SXE) is pleased to announce it has entered into a landmark framework agreement ("the Agreement") with resources company Rio Tinto's Iron Ore business ("RTIO").

The Agreement provides SXE with preferred contractor status for the next five years. It covers the electrical and instrumentation package of works at Cape Lambert as part of RTIO's 333 Programme – the major expansion of Rio Tinto's operations in the Pilbara, Western Australia to a capacity of 333Mt/a.

Whilst the scope of work is still to be finalised, the first package of works is expected to commence in FY12 and this Agreement already builds SXE's FY13 order book.

SXE Managing Director, Mr Simon High said that the Agreement was a significant milestone for the Company.

"The preferred contractor agreement that Rio Tinto has entered into with Southern Cross Electrical Engineering highlights the strength of the relationship between the two companies. Southern Cross Electrical Engineering has been involved with Rio Tinto's Pilbara port operations since 2005 through our involvement in the Dampier port upgrade project.

"The long term nature of this contract closely aligns the two organisations, providing Southern Cross Electrical Engineering with greater certainty in long term planning. We will be able to devote dedicated resources to Rio Tinto to provide consistency and maintain high safety performance and quality execution across the contract period."

-ENDS-

For further information please contact:

Simon High
Managing Director

Stephen Fewster
Chief Financial Officer

T: +61-8 9410 1833
E: simon.high@scee.com.au

T: +61-8 9410 1833
E: stevfef@scee.com.au