

SOUTHERN CROSS ELECTRICAL ENGINEERING LIMITED

Chairman's script for the AGM to be held on 28 November 2011 at 10:00 am (WST)

1. Welcome

Good morning, ladies and gentlemen. I would like to welcome you to Southern Cross Electrical Engineering's annual general meeting. My name is John Cooper¹ a director and Chairman of the Company and will be chairing this meeting.

We encourage your participation in the proceedings.

The format of the meeting will be to first deal with the formal business in the notice of meeting which you have received. If you have no objection will take the notice as read. When the formal business is complete we will go on to a presentation from **Mr Simon High** our Chief Executive Officer.

2. Quorum

As we have a quorum² present, this meeting is properly constituted and I now declare the annual general meeting open.

First I have to ask the audience for any apologies?

3. Directors

I will now introduce you to my fellow directors and the Company Secretary who are present at today's meeting:

- Mr Simon High, the Managing Director of the Company.

¹ The chairman should be one of the directors appointed in accordance with cl 82.1 of the Constitution, or in his absence, the deputy chairman appointed under 82.2. If no such appointment has been made at all, the directors may appoint one of the directors present at the meeting to be chairman of the meeting.

² Three members: cl81.1 constitution

- Mr Peter Forbes, a non-executive director.
- Mr Frank Tomasi, a non-executive director of the Company.
- Professor Derek Parkin, a non-executive director.
- Mr Chris Douglass, our Company Secretary and CFO.

Dr John (“Jack”) Hamilton, a non-executive director, is unable to be here today:

[outline family circumstances]

4. Auditors

Mr Robert Gambitta, a partner of KPMG, the company’s auditor, is also present today.

5. Chairman’s address

I am pleased to welcome you all to the fourth Annual General Meeting of Southern Cross Electrical Engineering Limited.

Australia continues to reap rewards from its natural resources in the mining and oil and gas sectors of the economy.

This is a very fortunate position for the nation given the economic and social predicament that many countries are currently experiencing.

Unfortunately, lack of confidence and uncertainty continues to reflect in our markets and in all sectors of the Australian economy.

Business in Australia’s growth sectors is somewhat perplexed by some Federal Government policies. The major concern is not only the content of these policies but also the timing of their passing into compromised legislation and hence into our social and working environment. Businesses are sceptical of the effects of such legislation. This is

happening at a crucial time in our economic cycle and is resulting in a vocal response from Industry. Fortunately, we believe change will inevitably occur, addressing industries needs in a far more positive manner.

Boards and management must, no matter what the circumstances, be proactive and anticipate and accommodate the needs of this changing landscape.

This is particularly the case for Southern Cross as we operate in the services sector of the resources industry.

Our acquisition of Oceanic Industries Pty Limited on the east coast in 2010 is an example of management's anticipation of the changing industry landscape, with Oceanic being SCEE's successful entry point into the Coal and Coal Seam Gas sectors in Queensland and New South Wales.

The financial year 2010-11 was however not a financial success for the company. The reasons have been clearly analysed and in all instances remedied. Where a long lead time solution was required, that solution has been implemented.

Our industries services sector has entered what is anticipated to become an unprecedented period of growth with exceptional long term opportunities. Simon High will outline both the current projects and future opportunities in his address.

At the commencement of this year we believed several changes to our business were necessary. Some of these activities are ongoing and will require continuous scrutiny as is the case with all efficiently managed business.

In essence, we can summarise our changes as follows:

- We have re constituted the Board with a highly qualified group of professionals.

- We have reorganised management roles and introduced additional experienced individuals into executive management.
- Risk management and improved commercial management processes have been introduced .This is an ongoing activity.
- Our balance sheet has been strengthened via a capital raising which paved the way for our increasing volume of work.
- Client relationships and performance on our contracts receives an even stronger focus at all levels of management to ensure the maintenance of our “can do well” reputation

We are already seeing tangible results and are extremely confident of our ability to achieve a strong growth outcome for the group.

Southern Cross is particularly proud of its safety record, with zero Lost Time Injuries for the year

To support our growth plans one key area of focus is staff attraction and retention which is receiving strong internal attention. A part of this strategy, for example, is our new Training facilities and our successful Indigenous training and education programmes.

Your Board and management is confident that Southern Cross is now on a sustainable growth path and that the outlook for Southern Cross and all its stake holders is very positive.

Moving now to the business of the day.

6. Voting

Please ensure that you have registered your attendance at today's meeting. Once you have registered, you will receive a blue voting card.

When I ask you to vote either for or against a resolution those who are entitled to vote should hold their blue voting cards in the air in accordance with their voting intentions. Your assistance in this regard will be appreciated as it will help us to accurately count your votes. Your voting card will also be used for the holding of a poll, if one eventuates.

We have received proxies representing [] shares or []% of the Company's issued shares. The manner in which the proxies are to vote will be announced before each resolution is considered and voted upon. The proxies are held by the Company Secretary.

Before each show of hands, I will announce the number of proxy votes received for, against, open and abstaining.

Where a proxy vote has been given to the Chairman without voting instructions, I intend to vote these proxies in favour of each resolution.

7. Notice of Meeting

The notice of meeting dated 17 October 2011 has been circulated to all Southern Cross shareholders and therefore I propose that the notice of meeting be taken as read.

8. Minutes of Previous Meeting

The minutes of the annual general meeting of the Company held last year have been signed and a copy is available for inspection from the Company Secretary.

9. Procedure for the meeting

We have a number of formal matters of business to attend to today. At the conclusion of these matters I will then ask your CEO to address the meeting.

Shareholders will then have the opportunity to comment and ask questions about the management of the Company.

There will also be an opportunity before each resolution is voted on, for shareholders to ask questions of the board as they relate to that resolution.

The First Order of business is to receive and consider financial statements and related reports by directors and auditors:

I confirm that all Shareholders who have requested a copy, have been sent a copy of the Company's 2011 Annual Report. The Annual Report is also available on the Company's website and contains the Income Statement, Balance Sheet, Cash Flow Statement and other financial information together with the reports of the Directors and Auditor for the financial year ended 30 June 2011.

The financial reports and the directors' and auditors' reports will be tabled, but will not be the subject of a resolution as this is not required by the Corporations Act.

The company is obliged to lay before this meeting the last audited financial statements and reports dated 30 June 2011, which have been circulated to members.

I now invite shareholders to comment or ask questions on the financial reports of the business of the company.

Questions may also be asked of the auditor, Mr Gambitta, in relation to the conduct of the audit including the content of the audit report, accounting policies adopted by the company and the independence of the auditor in carrying out the audit.

I would ask that questions on other agenda items be deferred until we come to that item.

Are there any comments or questions?

(Shareholder comments and questions).

As there are no further questions, we will now move to the next item of business:

Resolution 1 – Adoption of the Remuneration Report

Consistent with section 250R of the Corporations Act, the Company submits to shareholders for consideration and adoption by way of a non-binding vote its Remuneration Report for the year ended 30 June 2011.

The directors have prepared a remuneration report to 30 June 2011 and it is included in the annual report on pages 18 to 27.

I now move that for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, the remuneration report set out in the Company's Annual Report for the period 30 June 2011 be approved by passing an ordinary resolution as set out in the notice of meeting.

I wish to advise you of the proxy votes received, which are as follows:-

For	X
Against	X
Abstain	X
Open proxies	X

The Company will disregard any votes cast on Resolution 1 by any member of its key management personnel as disclosed in the remuneration report, or any closely related parties of those persons.

The number of open proxies in favour of the chairman of the meeting at the time of the meeting will be voted in favour of the resolution.

Are there any comments or discussion?

(Comments)

There being no (further) questions I will now put the resolution.

All those in favour of ordinary Resolution 1, that the remuneration report be approved, please raise your (blue) voting card.

Against

I declare the motion carried/ lost.

[Chairman will call a poll if necessary; the poll to be conducted after all other resolutions are considered]

The next item of business is:

Resolution 2 – the Re-Election of Mr Frank Tomasi as director

Rule 5.1 of the Company's Constitution provides that at every annual general meeting, one-third of the Directors, or, if their number is not a multiple of 3, then the number nearest one-third, shall retire from office. A retiring Director is eligible for re-election.

Mr Tomasi is retiring by rotation in accordance with this requirement and, being eligible, seeks re-election.

Details of Mr Tomasi's background and experience are set out in the directors' report on page 11 of the annual report, so I will not repeat those details here.

Each of the directors, other than Mr Tomasi who has a personal interest in the resolution, recommends the re-election of Mr Tomasi.

I have the pleasure of moving that Mr Tomasi, who retires by rotation under rule 5.1 of the company's constitution, and being eligible, seeks re-election as a director of the company.

I wish to advise that the proxy votes we have received are as follows:-

For	X	
Against	X	
Abstain	X	
Open proxies		X

The number of open proxies in favour of the chairman of the meeting at the time of the meeting will be voted in favour – X.

Before I put the motion, are there any comments or questions?

There being no [further] questions I now put the resolution to the meeting.

All those in favour of the ordinary resolution to re-elect Mr Tomasi as a director, please raise your (blue) voting card.

Against

I declare the motion carried/ lost.

The next item of business is:

Resolution 3 - Election of Dr John ("Jack") Hamilton as director

On 22 September 2011 Southern Cross announced the appointment with effect from 1 October 2011 of a new non-executive director, Dr

John (“Jack”) Hamilton. Dr Hamilton was appointed pursuant to rule 8.1 of the constitution to fill a casual vacancy created by the resignation of Mr Brian Carman. Accordingly Dr Hamilton must retire at this annual general meeting but is eligible for re-election in accordance with rule 8.2 of the Constitution.

Dr Hamilton’s details are set out in the directors’ report on page 7 of the Explanatory Statement to the Notice of Meeting, so, again, I will not repeat those details.

Each of the directors, other than Dr Hamilton who has a personal interest in the resolution, recommends the re-election of Dr Hamilton.

I have the pleasure of moving that Dr Hamilton, who retires under rule 8.2 of the company’s constitution, and being eligible, seeks re-election as a director of the company.

I wish to advise that the proxy votes we have received are as follows:-

For	X	
Against	X	
Abstain	X	
Open proxies		X

The number of open proxies in favour of the chairman of the meeting at the time of the meeting will be voted in favour – X.

Before I put the motion, are there any comments or questions?

There being no [further] questions I now put the resolution to the meeting.

All those in favour of the ordinary resolution to re-elect Dr Hamilton as a director, please raise your (blue) voting card.

Against ...

I declare the motion carried/ lost.

The next item of business is:

Resolution 4 - Election of Mr Peter Forbes as director

On 22 September 2011 Southern Cross announced the appointment with effect from 1 October 2011 of a new non-executive director, Mr Peter Forbes. Mr Forbes was appointed pursuant to rule 8.1 of the constitution as an addition to the existing directors to fill a casual vacancy created by the resignation of Mr Douglas Fargher. Accordingly Mr Forbes must retire at this annual general meeting but is eligible for re-election in accordance with rule 8.2 of the Constitution.

Details of Mr Forbes's qualifications and experience are set out on page 7 of the Notice of Annual General Meeting. Accordingly, I will not repeat them here.

Each of the directors, other than Mr Forbes who has a personal interest in the resolution, recommends the re-election of Mr Forbes.

I now have the pleasure of moving that Mr Forbes, who retires by rotation under rule 8.2 of the company's constitution, and being eligible, seeks re-election as a director of the company.

I wish to advise that the proxy votes we have received are as follows:-

For	X	
Against	X	
Abstain	X	
Open proxies		X

The number of open proxies in favour of the chairman of the meeting at the time of the meeting will be voted in favour – X.

Before I put the motion, are there any comments or questions?

There being no [further] questions I now put the resolution to the meeting.

All those in favour of the ordinary resolution to re-elect Mr Forbes as a director, please raise your (blue) voting card.

Against

I declare the motion carried/ lost.

The next item of business is:

Resolution 5 – Approval of the Senior Management Long Term Incentive Plan

The Company proposes to implement the Senior Management Long Term Incentive Plan to enable the Board to provide flexible incentives to its senior managers.

Details of the rules of the Plan are set out in the Explanatory Statement to the Notice of Meeting so I will not repeat them here, except to say that the Plan enables the board to provide incentives in the form of Options and or Performance Rights.

The Board believes that having this incentive plan in place is an important tool that will underpin the company's employment strategy, and that the implementation of the Plan will:

- recognise the ability and efforts of senior managers who have contributed to the success of Southern Cross;

- provide incentives to the senior managers to achieve the long terms objectives of the Company and to improve the performance of the Company Group; and
- attract staff with suitable experience and capability.

Before opening the meeting for questions, I move that for the purpose of ASX Listing Rule 7.2, and for all other purposes, Shareholders approve the Senior Management Long Term Incentive Plan, the terms and conditions of which are summarised in the Explanatory Statement to the Notice of Meeting, and the grant of Performance Rights or Options under the Plan and the issue of Shares upon the vesting of such Performance Rights or Options as required.

I wish to advise the meeting that the proxy votes we have received are as follows:-

For	X
Against	X
Abstain	X
Open proxies	X

In accordance with the Corporations Act and ASX Listing Rules, certain voting restrictions may apply on this resolution for the directors, key management personnel and their associates.

The number of open proxies in favour of the chairman of the meeting at the time of the meeting will be voted in favour – X.

Before I put the motion, are there any comments or questions?

There being no [further] questions I now put the resolution to the meeting.

All those in favour of the ordinary resolution to approval the Senior Management Long Term Incentive Plan, please raise your (blue) voting card.

Against

I declare the motion carried/ lost.

[Chairman will call a poll if necessary]

The next item of business is:

Resolution 6 – Issue of Shares to the Managing Director

Mr High was appointed as managing director of Southern Cross in August 2010.

Following a review of the terms of Mr High's employment agreement with the Company, the Board proposes to issue, subject to shareholder approval, 750,000 shares in the Company for nil consideration to Mr High as a part of his remuneration package.

This is a key component of Mr High's remuneration and will provide Mr High with an added incentive in carrying out his duties as Managing Director.

Under the Company's current circumstances, it is considered that the issue of these shares are a cost effective and efficient way to reward and provide an incentive for Mr High, as opposed to alternative forms of incentive, such as the payment of cash.

In reviewing the terms of Mr High's employment contract the number of shares was agreed by the Board following consideration of comparable companies and current market conditions. The number of shares to be granted to Mr High has also been determined by taking into account the Directors' wish to ensure that the remuneration offered is competitive with market standards.

The Directors believe that the remuneration for Mr High, including the proposed grant of Shares, is reasonable having regard to the circumstances of the Company, the duties and responsibilities of the Managing Director and market levels of remuneration for managing directors of similar companies.

Before asking for questions on this resolution, I move that for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes 750,000 shares be issued to Mr High (or his nominee) for nil consideration on the terms and conditions set out in the Explanatory statement accompanying the Notice of Meeting.

I wish to advise the meeting that the proxy votes we have received are as follows:-

For	X	
Against	X	
Abstain	X	
Open proxies		X

The Company will disregard any votes cast on Resolution 6 by Mr High.

The number of open proxies in favour of the chairman of the meeting at the time of the meeting will be voted in favour – X.

Before I put the motion, are there any comments or questions?

There being no [further] questions I now put the resolution to the meeting.

All those in favour of the ordinary resolution to issue shares to the managing director, please raise your (blue) voting card.

Against

I declare the motion carried/ lost.

[Chairman will call a poll if necessary]

10. Closure

Now that the formal matters of business have been completed, I will now invite **Mr Simon High** our Chief Executive Officer to address the meeting.

[Mr High's address]

I now invite shareholders who may have questions or comments not related to the specific business of the meeting to speak.

(Shareholder comments and questions).

Thank you all for your attendance and interest and we look forward to your continued support in the coming year.

Please join us in the foyer for light refreshments.

We have now completed the matters contained in the Notice of Annual General Meeting and I now declare the meeting closed.