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ASX RELEASE

Quarterly Report to Shareholders

Chairman's Summary

The third quarter for Site Group International Ltd (Site, ASX:SIT) has been characterised by the intensive building out of new and existing facilities for the next phase of our expansion. This activity continues on from our substantial investment of \$12 million in the development of the Clark Education facility in the Philippines and the recent acquisition of Sun Coast Training and Accreditation. These core investments provide the robust platform for the delivery of our strategy to provide skills training and workforce planning throughout the Asia Pacific region. The Site management team has been primarily focused on the development of these facilities and associated business development activities – the successful delivery of Gladstone, Perth and the Clark Monark CAT Diesel Training facilities mark the point of transition to full operations.

Site Skills Training's Gladstone facility was completed in early April and commenced offering training courses on the 16th of April. This facility, pictured below, has the capacity to train in all areas ranging from high risk activities such as working at heights and in confined spaces to rigging and dogging. In addition to offering courses to the public the Gladstone facility is negotiating training contracts with two major employers in Gladstone to offer both onsite and offsite training and skills accreditation services.



Darryl Somerville (Director) & Mandy Lutteral (Operations Manager – Gladstone) at the Gladstone facility

Gladstone has been strategically chosen as the location to service training requirements of the regional coal and construction sectors. Gladstone is one of two major ports for the Styx basin, and the major port for the South-East and South-West Bowen Basins as well as planned mines in the Maryborough region.

Further, rail links are being proposed from the Surat Basin through to the Gladstone Port. This positions Site to deliver training for mining and support services including construction, logistics and camp services.

The proposed development of multiple LNG processing plants in Gladstone will also result in a rapid expansion of demand for skilled workers. Site Skills Training will be well positioned to meet the vocational training demands of those projects. As a fly-in fly-out (FIFO) hub primarily servicing Queensland, as well as Western Australia, Gladstone is the ideal strategic location to service an estimated peak of a 37,000 person labour supply deficit in 2014 for resource occupations.

We are near completion of our largest Australian training facility located in Perth. The Site Skills Training centre in Perth is located at Belmont and offers a full range of skills training and accreditation. At completion the facility will have eight classrooms and be equipped with multi-media training resources. In line with the Gladstone strategy we are negotiating a corner-stone training contract with a large construction company to provide skills training and accreditation. The Perth facility will commence training delivery in mid to late May.



Signage design for the Belmont facility at 72-80 Belgravia Street, Belmont

The other major project that we have been focused on is the development of the facilities at Clark Education City for the recently announced training partnership with the Monark Foundation. The Monark Foundation is the training arm of the Monark Group, the supplier of Caterpillar equipment in the Philippines. In line with the agreement between Site and Monark the development of the heavy diesel training facility is nearing completion and is preparing to train its first batch of candidates. Site provided around 30,000 square metres of the campus including four buildings and large undercover work bays. These facilities have been fully renovated and hardstand areas renewed in readiness for the large equipment that will be used in the delivery of training courses.

For their part Monark have delivered diesel engines, diagnostic equipment, differential, transmission and hydraulic pull down service equipment and other specialised training. CAT qualified trainers will be located at the new facility and have been working with the project delivery team to fine tune the development.



CAT 3500 Diesel Engine being unloaded at Clark



Inspection of a CAT 966H by HWE employees

The arrangement with the Monark Foundation also provides access to the Monark CAT rental fleet which will predominantly be located at Clark and under this agreement allows full access for operator and mechanical training.



Vern Wills (Site CEO), Andrew Reid (CAT Asia Pacific) & Jose Antonio T. Banson – President of Monark



Students from Barmingo, HWE and MacMahons

Training at this facility will include skills assessment and up skilling, recognition for prior learning (RPL) evaluation, delivery of longer term certificate qualifications and industry focused `train to task` and `train to skills` to meet specific demand. Using an adjoining land area suited to heavy equipment operation we will deliver plant operator training in a realistic operating environment that will enable candidates to gain `real skills` in heavy machinery operation. This enables the candidate to be deployed as a competent, qualified and productive employee.

Site has conducted a number of tours of the new facility with existing and prospective clients from both Australia and throughout Asia. These visits have resulted in firm orders for around 75 diesel fitters who will be trained and accredited in coming months. This is without doubt a unique facility in the Asia region and will be a major promoter of the Clark campus as a premier skills training venue in Asia region.



Expanded training facilities at Clark Freeport including a Monark Cat building (left) and refurbished facilities (right)

We continue to pursue further joint ventures to provide similar training facilities for the Oil and Gas Industry. Negotiations with a major multi-national company to develop purpose built facilities for drilling, platform and safety training continue and we are hopeful that these may be concluded by December 2012.

Financial Performance

Cash Position

The Appendix 4C lodged with the ASX today reflects the significant efforts of the company in the areas of facilities construction and major new business development. In addition we have been successful in recruiting a number of people to manage our newly developed training facilities – these increases in costs reflect the major repositioning of Site as a vocational education training provider in Australia as well as in Asia.

The ramp up of the Site WorkReady business and a full quarter's operation of Sun Coast Training and Accreditation resulted in total revenue of around \$1.4 million - our strongest result to date.

During the quarter Site consumed \$3.2 million in cash with sales proceeds of \$626,000 partially offsetting operating costs of \$2.7 million and capital expenditure \$930,000. In addition Site had to cash back guarantees for \$150,000 used to secure rental leases over our new facilities. The expansion of the Site WorkReady business has resulted in the build of substantial working capital with outstanding debtors of around \$1.2 million at the end of March.

In the coming quarter we will continue to invest in the Gladstone and Perth facilities as well as completing the required capital works at Clark for the new diesel training facility. While both the Gladstone and Perth facilities will be open for business this quarter we expect that these facilities will not reach full potential until the first half of the next financial year. Our cash balance and available working capital at 31 March will be insufficient to fund our forecast cash requirements through the current quarter. Site has secured a loan facility of up to \$2.0 million from entities associated with Vernon Wills - Chairman and CEO of Site. These funds will support the company's near term cash requirements.

Expected Results for the 2012 Financial Year

As evidenced by the financial data in the Appendix 4C released today Site Group continues to be a company in early business development mode. The recent start-up of the Gladstone and the Clark Heavy Diesel facilities combined with the imminent start-up of the Perth facility represent a transition point for the company into a period of revenue growth and positive cash flows. The financial results for the six months to 31 December 2011 indicated a slowing in the rate of losses versus the prior comparative period. The Board expects this to continue for the remainder of this financial year with an expected loss of ca. \$3.5 million in the six months to 30 June, taking our full year loss to a forecast of around \$7.0 million. This is a considerable improvement over the \$9.9 million loss in the prior year. In line with our disclosure obligations we will keep our shareholders apprised of the financial performance closer to the end of the financial year.

The development of the new facilities and the major business development activities in both Australia and throughout Asia will continue through the fourth quarter of the 2012 financial year with a consequent impact on our cash position. This will be followed by a period of consolidation in the 2013 financial year as the three training facilities in Australia and the Clark facility in the Philippines ramp up to full capacity. We remain confident that the business will be operating cash flow positive in the first half of the 2012 Financial Year.

Business Acquisitions

In the December quarter we announced the acquisition of Sun Coast Training and Accreditation (Sun Coast) as well as the agreement to acquire the business of CYBA Recruitment (CYBA) in the Philippines.

The acquisition of Sun Coast was completed in November 2011 and provided Site with access to training scopes in a number of areas that are aligned to our focus on the mining and construction sectors. We have now had four months of continued operations with Sun Coast and the business is performing in line with our expectations. In addition we have been able to leverage the scope acquired with Sun Coast across the newly developed facilities in Gladstone and Perth as well as investigating delivery of certain skill training in Clark as part of an expanded service offering to our Australian client base.

The CYBA acquisition was completed in early April with the transfer of employees and equipment to the newly incorporated Site WorkReady – Philippines Pty Ltd. In addition Site has executed a multi-year exclusive consultancy agreement with Mr Brett McPhee and Mr John Rodgers to lead our Site WorkReady business in the Philippines. Site and CYBA have been working together closely since the transaction was announced and the business continues to expand in line with our expectations. Site WorkReady now has five of the top ten mining service and construction companies in Perth as clients and have assessed selected and recruited 143 skilled candidates since November 2011.

Business Development

We continue to pursue opportunities to leverage our facility at Clark to provide training solutions to major mining, construction and resource companies throughout Asia. We have several opportunities that we have been developing both in partnership with other service providers and singularly to deliver multi-year vocational training. These opportunities may in certain cases result in increased candidate throughput at Clark while others will result in provision of training at client locations and facilities. We are confident that at least one major contract will be completed within the next six months.

Site Group has been working with AusDrill to develop the Western Australian Skills Academy – Muresk (WASAM). The concept is to utilise the Muresk Agricultural Campus, currently operated by Curtin University, as a combined resource and agricultural sector facility – hence addressing the educational and skills requirements of two of Western Australia’s most important industries. The concept has the support of the Government and the Industry stakeholders with major companies in the mining resource and construction sectors pledging their financial support to develop the campus to meet that sector’s needs. Site proposes to operate the Muresk facility under a 20 year lease with the objective of delivering a world class training facility for both the agricultural and mining sectors. The terms of the lease and operatorship are in negotiation with the WA Government and interested stakeholders.

Personnel

Paul Scaysbrook has joined Site Group International Ltd as Chief Operating Officer. Paul has been consulting to Site and has been guiding the development of our new facilities in Gladstone and Perth. Paul was previously a senior executive with Careers Australia Group and has extensive experience in the development and maintenance of Vocational Education Training capability. Paul will be based in Brisbane but will travel extensively around Australia and Asia.

Rebranding

The Board of Directors are pleased to announce that Site Group International has begun the process of rebranding its operational companies in line with its new strategic direction.

The current suite of companies and brands will be consolidated over the next few months into two brands which represent primary streams of business in which Site operates:

- Site WorkReady
 - Industry Recruitment & Placement (and facilitation of training)
- Site Skills Training
 - Wholesale and retail high risk licensing, mining, construction and trade industry’s skills training

The corporate name and identity of Site Group International will be maintained.



Examples of the new logos and colours (portrait logos)

This branding activity clearly aligns the operating companies in the Site group with the strategic direction of Site:

- Development and operation of high quality onshore training facilities
- Delivery of all levels of industry training from inexperienced ('green skins') to experienced workers requiring skills upgrade
- Meeting the labour demands of the Mining & Processing, Oil & Gas, Construction, Logistics and Camp Service sectors

All training facilities within the Site group of companies will be rebranded under the name "Site Skills Training". This will include the recently acquired Sun Coast Training and Accreditation based in Landsborough, Queensland. This will come in to immediate effect with the launch of two new training facilities in Gladstone and Perth.

Corporate

Site has 212,448,442 shares on issue representing a market cap of approximately \$36m at the last traded price of 17.0 cents per share.

On 21 March 2012 Site announced that its share registry services were moving to Computershare - the transition is now complete. Contact details are as follows:

Computershare Investor Services Pty Limited
117 Victoria Street, West End Qld 4101
GPO Box 2975, Melbourne Vic 3001
Telephone: 1300 850505 or +61 3 9415 4000
Fax: +61 3 9475 2500

Conclusion

This past quarter has been a significant period for the Site Team as we actively completed the build out of facilities both in Australia and the Philippines. Our strategy of developing Site Skills Training in Australia and Site WorkReady in Asia is well on track and we are starting to see significant progress in developing the pipeline of client opportunities. The positioning of our training facilities in Queensland and Western Australia gives us the maximum opportunity to deliver skills training in areas with the greatest demand.

The Board of Site takes this opportunity to thank you for your continued support during this exciting stage of development.

For further information contact

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