

## **ASX RELEASE**

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# SCEE and Kentech create Tier One LNG-focused JV

Highlights:

- SCEE and Kentech launch new LNG-focused Joint Venture partnership (KSJV)
- Agreement creates new Tier One E&I entity in Australia
- KSJV well positioned for E&I works from unprecedented Australia-wide LNG growth
- KSJV will benefit from SCEE's existing local content while Kentech bring international capacity and expertise

Southern Cross Electrical Engineering Ltd ('SCEE' or 'the Company') (ASX: SXE) and Kentech have created a 50:50 Joint Venture ('KSJV') to capitalise on unprecedented levels of demand for Electrical and Instrumentation (E&I) construction works for large-scale LNG projects.

The JV Agreement, which is focused on Australian onshore LNG processing facilities, is for an initial five year period with an option to extend beyond that date subject to mutual agreement.

Kentech is a leading privately-owned international E&I service provider, specialising in largescale gas and LNG projects. Kentech employs more than 4,000 people and delivers up to 10 million man hours annually.

SCEE also brings prior LNG experience to the JV and successfully completed off plot E&I construction activities for Woodside's Pluto LNG plant in 2011.

The combined KSJV will maximise SCEE's existing local content, significant apprentice programme and commitment to indigenous employment and training, while adding relevant international skills and capacity from Kentech.

SCEE Chief Executive Officer Simon High said:

"Never in the history of Australia have there been so many world-scale LNG projects in development at the same time - including Gorgon, Wheatstone, Ichthys, QGCLNG, APLNG and GLNG - as well as pre FID projects such as Browse, Arrow, Pluto and Gorgon expansions."

"The JV underpins our strategy of expanding our onshore LNG capabilities in line with the expected industry growth over the next five to seven years and provides us with the necessary scale and capacity to deliver E&I works for a sizeable proportion of these projects."

"SCEE and Kentech share a similar approach and commitment to safety, transparency and performance and I am extremely pleased to announce this partnership."

Kentech Chief Executive Officer Sarah Kent said:

"Together, Kentech and SCEE have forged a powerful partnership, which will capitalise on the strengths of our two organisations in E&I services. KSJV bring large scale capacity and capability to the LNG projects through the combination of an established local footprint, international large scale LNG expertise and a proven joint track record. The success of the joint venture will be built not only on the pooling of our resources, but our years of industry experience, logistical strength and both local and international knowledge. At Kentech we are looking forward to building the success of this partnership over the coming years."

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#### About SCEE

SCEE is an emerging Tier One provider of specialised electrical and instrumentation services to Australia's resources sector.

Delivering life-of-project electrical infrastructure, construction and support services to its bluechip customers for more than 30 years, SCEE has a strong reputation for safety and excellence.

With approximately 1,000 employees, SCEE is committed to its people and has a strong focus on training and development.

SCEE was established in 1978 and is listed on the Australian Securities Exchange under the code SXE.

## About Kentech

Kentech is a leading international E&I service provider specialising in large scale oil & gas projects globally.

With a heritage dating back to 1919, today Kentech employs in excess of 4,000 people globally and delivers circa 10 million man hours annually. Over the years, Kentech has built a reputation for reliability and delivering real value based on the strong principles of hard work, expertise, a reliance on local workforce and a focus on training that ensures an impeccable HSE record.

Kentech have successfully delivered many large-scale E&I projects on some of the world's largest gas/LNG projects, including the LNG Plant as part of the Sakhalin 2 Development in Russia where they delivered 6.1 million man-hours LTI free and the AGD II (Asab Gas Development) Project in the UAE where they completed 5 million man-hours LTI free. www.kentech.com.au