



22 March 2013

RCR PROPOSAL TO ACQUIRE NORFOLK GROUP

RCR Tomlinson Limited ('RCR') is pleased to announce that it has entered into an exclusive arrangement with Norfolk Group Limited ('NFK') in respect of a proposal from RCR to acquire 100% of the issued shares ('Shares') in NFK by way of Scheme of Arrangement ('Proposal').

The Proposal is subject to RCR completing abridged due diligence activities and the parties entering into a definitive Scheme Implementation Agreement.

Strategic Rationale

RCR has reviewed this opportunity thoroughly and considers that it fulfils the company's strategic growth ambitions, specifically:

- the acquisition provides access to infrastructure markets particularly those requiring significant technical intellectual property;
- the size and geographic distribution of NFK's business is consistent with RCR's strategic diversification; and
- NFK is ideally positioned to benefit significantly from RCR's management team approach to engineering companies, particularly those requiring specialist turnaround capability.

Details of the Proposal

Under the Proposal, RCR would pay an indicative offer price of AUD \$0.38 per Share ('Indicative Price'), which has been calculated based on an assumed net debt position of NFK of not more than AUD \$78 million.

The Indicative Price will be confirmed or adjusted following a short due diligence period, with the aggregate offer consideration to be adjusted on a dollar for dollar basis in proportion to the actual net debt position of NFK.

In addition, the Proposal includes the potential for incremental benefits to NFK shareholders, depending upon the extent to which current uncollected working capital of up to approximately AUD \$74 million is recovered by NFK or acquired by RCR. Upon completion of the Proposal, RCR will assume NFK's debt, which has arisen mostly due to these uncollected balances.

Norfolk has given RCR an exclusivity and cost reimbursement undertaking, including "no shop" and "no talk" provisions, while RCR completes a short period of due diligence and the parties negotiate a Scheme Implementation Agreement setting out the key terms of the transaction. The Scheme Implementation Agreement is expected to include customary exclusivity and break fee provisions and defeating conditions including a market fall condition, regulatory requirements, RCR financing and no material adverse change in relation to NFK.

NFK Board and Major Shareholder Support

The Proposal will be supported by a unanimous recommendation of NFK's Board and a commitment that each NFK Director will vote any Shares they directly or indirectly own, control or represent in favour of the Proposal (in the absence of a superior proposal or the Independent Expert opining that the Proposal is not in the best interests of NFK Shareholders).

Maui Capital, NFK's major shareholder, has also confirmed its intention to vote the Shares it directly or indirectly owns, controls or represents in favour of the Proposal (in the absence of a superior proposal or the Independent Expert opining that the Proposal is not in the best interests of NFK Shareholders).

RCR Funding

RCR has negotiated specific acquisition financing which, together with current cash holdings, will fully fund the proposed acquisition. There are a number of conditions precedent to the financing, including due diligence, which RCR expects to fulfil.

The acquisition of NFK is expected to represent a considerable value accretive proposition for RCR shareholders while being non-dilutive.

Following the transaction gearing will remain well within RCR bank covenants.

Advisors

RCR is being advised by Lincoln Crowne & Company (financial advisor) and King & Wood Mallesons (legal advisor) in relation to this acquisition.

ENDS

For further information please contact:

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About RCR

RCR Tomlinson Ltd (RCR) is an integrated engineering company providing turnkey solutions to blue chip clients in the mining, resources, energy and power sectors. RCR's services include design, procurement, manufacture, fabrication, engineering construction and electrical services and off-site repairs and maintenance. Headquartered in Perth, Western Australia, RCR has operations across Australia, New Zealand and Malaysia. Additional information is available at www.rcrtom.com.au.