

Ausenco Limited

Extraordinary General Meeting

Brisbane

Tuesday, 29 March 2016

Chairman's address

George Lloyd

Chairman

Ausenco Limited

Introduction

Good morning Ladies and Gentlemen. Welcome to Ausenco Limited's Extraordinary General Meeting. My name is George Lloyd, I am Chairman of Ausenco and Chairman of today's meeting.

It is now 2.30pm, the appointed time for the meeting, and we have a quorum. I therefore have pleasure in declaring the meeting open.

On behalf of the Board of Directors, I thank you for your attendance today and for your continued support of the company.

Before proceeding I will introduce my fellow directors. Zimi Meka, our CEO, Hank Tuten, and Bob Thorpe. Due to prior travel commitments Mary Shafer-Malicki and Peter Gregg are unable to join us today and send their apologies.

Also in attendance today are representatives of the Company's lawyers, McCullough Robertson and representatives of our auditors, Pricewaterhouse Coopers.

Today, shareholders will be asked to consider four items of business. Each resolution is explained in detail in the Notice of Meeting and Explanatory Memorandum. There has been no notice of other business given by any shareholder and no items of business other than those on the Notice of Meeting and Explanatory Memorandum will be allowed to come before the meeting.

As we have guests with us today, would members and proxies for members please note that only members present in person or represented by valid proxy may speak to, and vote on, the business of meeting.

When wishing to speak on a resolution, would you please identify yourself by your blue voting card, state your name and, if a proxy, the name of the shareholder you are representing.

To enable all shareholders an opportunity to participate, I would ask that you please limit questions to one at a time.

Overview of the resolutions

Before I put the resolutions to the meeting, I would like to provide a brief overview.

RESOLUTION 1 is the Ratification of a prior share issue to Duro Felguera S.A.

In early July 2015 Ausenco announced that it had signed a Memorandum of Understanding to form a Strategic Alliance with Spanish multinational construction company Duro Felguera S.A. with the objective of jointly pursuing and delivering EPC projects globally and to enable each company to increase its market share in relevant sectors.

On 21 July 2015 the Company completed a \$10.7 million private placement to DF at 60 cents per share which represented a 15% premium to the company's closing price on 20 July 2015. Proceeds from the placement were used to re-pay term debt and to provide working capital to enable Ausenco to continue to pursue strategic growth opportunities.

Under the placement agreement, the Company issued DF with approximately 17.8 million fully paid ordinary shares, which represented 9.6% of the issued capital and resulted in DF holding a 14.5% interest in Ausenco.

Shareholder approval under ASX Listing Rule 7.4 is being sought for the purpose of replenishing Ausenco's capacity to issue up to 15% of its issued capital during the next 12 months without prior shareholder approval.

RESOLUTION 2 is the ratification of prior share issue to Resource Capital Fund VI LP

On 1 February 2016, Ausenco finalised the terms of a US\$16.5 million (A\$23.6 million) convertible debt and bonding facilities package with Resource Capital Fund VI LP. The RCF financing package includes a US\$6.5 million (or approximately A\$9.2 million) unsecured convertible debt facility which matures on 31 December 2018.

On conversion, the principal amount of the convertible debt and any interest and fees payable prior to conversion may, at RCF's election, be converted to ordinary shares in Ausenco.

In consideration for the convertible debt facility, Ausenco paid RCF an establishment fee of 2% of the funds lent which was satisfied by the issue of 595,167 ordinary shares at an issue price of 31 cents per share.

Shareholder approval under ASX Listing Rule 7.4 is being sought for the purpose of replenishing Ausenco's capacity to issue up to 15% of its issued capital during the next 12 months without prior shareholder approval.

RESOLUTION 3 is the approval of conversion rights to Resource Capital Fund VI LP

Shareholder approval under ASX Listing Rule 7.1 is being sought to enable the Company to grant RCF the rights to convert any or all of the US\$6.5 million principal outstanding under the convertible note facility into ordinary shares in the Company, and to enable interest on the convertible debt to be paid by way of the issue of ordinary shares without counting those shares towards the Company's 15% new issue capacity under ASX Listing Rule 7.1.

The ASX has granted the Company a waiver of ASX Listing Rule 7.3.2 which requires an issue of securities approved by shareholders under ASX Listing Rule 7.1 to be made within 3 months of the approval. The waiver was granted on the basis that Ausenco may issue a maximum of 13.1 million shares to satisfy interest payments under the convertible debt. Any additional shares issued in satisfaction of interest payments will be issued in compliance with ASX Listing Rule 7.1.

If Resolution 3 is not approved by shareholders the Convertible Debt will become payable in full on 30 September 2016.

The final resolution, **RESOLUTION 4**, is the approval of Company's Share Price Performance Rights Plan

Ausenco is seeking shareholder approval for the implementation of an updated Performance Rights Plan to better align the interests of shareholders, the Company and employees.

Unfortunately, over the past three financial years, unfavourable market conditions, which have been largely outside of the control of employees, have worked against the current Performance Rights Plan serving its key purposes of attracting, retaining and motivating key employees.

Following an evaluation on the effect of Ausenco's current pay structures on the motivation and retention of key people, the Board has proposed that, while Ausenco's business performance will remain the driving force in determining short-term incentives, key staff be appropriately rewarded for their achievements in delivering on the Company's longer term strategy objectives.

As a result, shareholder approval is being sought for the issue of share price performance rights to key personnel. The proportionate vesting of the performance rights will be determined by Company's share price performance over a two year period.

The Share Price Performance Rights Plan will ensure that Ausenco's remuneration practices remain competitive with those of its peers and it is the Board's expectation that the plan will result in an improved alignment between senior management and shareholders.

Directors' recommendations

The Directors unanimously recommend that shareholders vote in favour of Resolution 1 and 4.

Mr Tuten, being a partner of RCF, did not participate in the decision making process and makes no recommendation with regards Resolutions 2 and 3. Accordingly, the directors, other than Mr Tuten, recommend that shareholders vote in favour of Resolutions 2 and 3.