



20 April 2017

ASX ANNOUNCEMENT

SRG LIMITED NEWSLETTER

SRG Limited (**ASX:SRG**), a leading complex services company, is pleased to share its first newsletter for 2017.

Highlights:

- New drilling contract in Queensland
- Additional works for Evolution Mining
- Keepit Dam Upgrade Project commences
- Bass Point project complete
- Building division secures over \$10M of work
- Palais Theatre refurbishment complete
- SRG receives two ACRA awards for excellence
- Launch of the new SureLok Basement Retention System
- International operations gaining momentum

SRG Managing Director, David Macgeorge said, "I am pleased to share SRG's first newsletter for 2017, which showcases some of the recent projects that demonstrate SRG's vision of 'making the complex simple' for our customers."

ENDS

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SRG Limited are an Australian complex services company. Our vision is to make the complex simple for our customers and our mission is to be a leading provider of complex services to the construction and mining industry worldwide.

Founded in Victoria in 1961, the Company commenced trading as BBR Australia Pty Ltd with the first project undertaken to supply and install rock anchors for the Snowy Mountains scheme. Listed in 1987 on the ASX as Structural Systems Limited, the organisation has grown from a small privately owned specialist post-tensioning company to a diverse international contractor in building, civil, mining, products and services. SRG has offices throughout Australia as well as in the Middle East and Hong Kong. In November 2014, Structural Systems Limited became SRG Limited.

SRG's ticker code has recently changed from 'STS' to 'SRG'.

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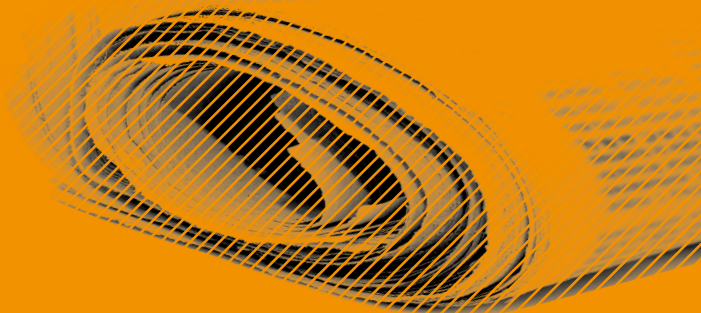
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**MAKING
THE
COMPLEX
SIMPLE**



Message from the Managing Director.

It is my pleasure to present "What's Making News", SRG's first newsletter for 2017. As an important stakeholder in SRG, I hope you enjoy this newsletter and find the update on our business informative.

In this edition, we showcase some of the recent projects we are working on that demonstrate SRG's vision of "making the complex simple" for our customers. We also introduce a new product, the SureLok basement retention system – an innovation which provides a

welcome solution to a longstanding building industry issue – connecting post-tensioned slabs to building walls.

In late February, SRG announced its half year financial result for the period ending 31 December 2016. The half year ended strongly, with the company reporting that Net Profit Before Tax (NPBT) was up 143% on the prior corresponding period (pcp) to \$7.3m, together with a fully franked dividend of 3c, which was up 50% pcp.

The NPBT number for the half year of \$7.3m included profit from the sale of our corporate property in Melbourne as well as some of the costs to support our international expansion into Hong Kong (see page 7), the Middle East and in our assessment of acquisitions and tender opportunities in other targeted geographies.

We have called out some of the top level results from the half year on this page, but for those interested in our financial progress, I would recommend reviewing SRG's results presentation from the first half of FY17, which summarises the continued improvements that were made to the business in the period. Further information exists via recent analyst reports by Hartleys and Patersons,

which are available through the Investor Relations section of our website at srglimited.com.au.

The improved first half reporting is a result of our continued focus on the Development Phase of SRG's strategy, which is centred around growth, expansion, acquisitions and disciplined execution. We have a clearly defined vision for each of our business streams and expect strong execution for both customers and investors during the calendar year.

As always, thanks for your ongoing support. I look forward to keeping you up to date as we continue to make progress.



David MacGeorge

1H FY17 HIGHLIGHTS

- Revenue up 45% on 1H FY16
- NPBT up 143% on 1H FY16
- 128% increase on 1H FY16 in EPS to 7.3cps
- Cash in hand \$25.9M
- No net debt
- 50% increase in interim dividend to 3c
- 50% increase in FY17 share price

OUR BUSINESS STREAMS



MINING

Drill and Blast
Ground Support
Technical Access
Mine Infrastructure
Underground
Open Pit
Civil
Monitoring
Remedial



CIVIL

Dam Strengthening and Remediation
Bridge Construction
Bridge Maintenance
Ground Anchors
Silo and Tank Construction
Heavy Lifting
Load Handling
Slipform
Stay Cable Systems



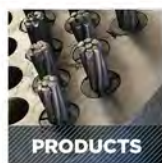
BUILDING

Post-Tensioning
Slab on Ground
Industrial Pavements
Multistorey Post-Tensioning
Slipform
Reinforcement
Remedial



SERVICES

Diagnosis and Investigation
Concrete Repair
Structural Strengthening
Waterproofing
Precision Grouting
Facade Restoration
Architectural Restoration
Cathodic Protection
Specialised Services



PRODUCTS

Macalloy Bar
Concrete Canvas
Rock Meshes
Ground Support Products
Geotechnical Equipment
SureLok™
Ducting
Duct Chairs
Barrel and Wedges
Castings

NEWS HIGHLIGHTS

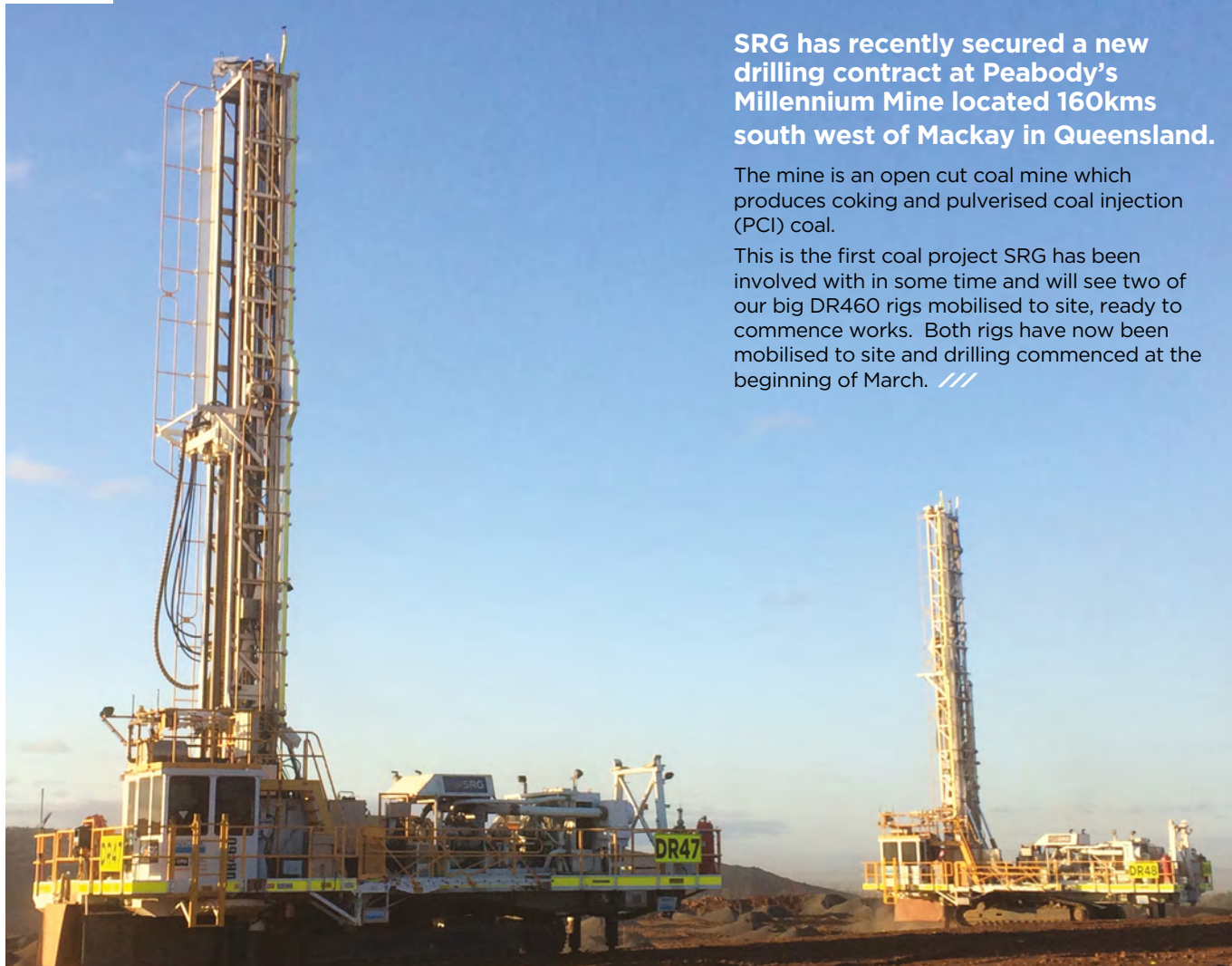
- New drilling contract in Queensland
- Additional works for Evolution Mining
- Keepit Dam Upgrade Project commences
- Bass Point project complete
- Building Division secures over \$10M of work
- Palais Theatre refurbishment complete
- SRG receives two ACRA awards for excellence
- SureLok Basement Retention System
- International operations gaining momentum

SRG AWARDED NEW DRILLING CONTRACT IN QUEENSLAND

SRG has recently secured a new drilling contract at Peabody's Millennium Mine located 160kms south west of Mackay in Queensland.

The mine is an open cut coal mine which produces coking and pulverised coal injection (PCI) coal.

This is the first coal project SRG has been involved with in some time and will see two of our big DR460 rigs mobilised to site, ready to commence works. Both rigs have now been mobilised to site and drilling commenced at the beginning of March. ///



SRG PERFORMS ADDITIONAL WORKS FOR EVOLUTION MINING

SRG has recently completed a deep hole Reverse Circulation program for Evolution Mining at the Cowal Gold Mine.

The Cowal Gold Mine, owned and operated by Evolution Mining is located 350 kilometres west of Sydney in West Wyalong, NSW. SRG has been performing drilling works on this mine since 2007.

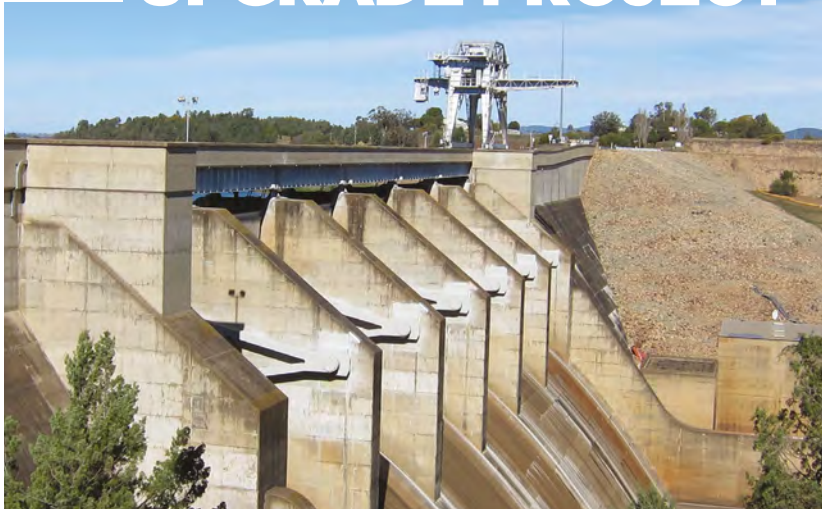
In addition to our existing drilling contract, SRG has recently assisted Evolution with a Deep Hole Reverse Circulation (RC) program to explore the future resources of the Cowal E42 open pit ore deposit. The program ran for one month and was very successful, enabling

SRG to showcase its ability to provide solutions for Evolution and also expand the capability we can offer our current and future clients. The results have provided Evolution with an insight into the profitability and life expectancy of the Cowal mine and further strengthened our relationship.

During this program, SRG drilled a total of 16 holes, ranging in depth from 220m - 300m. These are the deepest holes the Company has drilled to date. ///



KEEPIT DAM UPGRADE PROJECT



The Civil team recently secured a \$24.4m contract with WaterNSW for specialist dam anchoring works for the Keepit Dam Upgrade Project, located near Tamworth in NSW.

Keepit Dam is situated on the Namoi River, 30 kilometres upstream of Gunnedah on the north west slopes of the NSW Northern Tablelands. The dam has a capacity of 425,000 megalitres, making it nearly as large as Sydney Harbour.

SRG is the head contractor on the project and will complete all works required for the installation of 91 strand post-tensioned cable anchors in the concrete section of the existing dam as well as significant civil works associated with the project. The site works will begin at the end of March 2017 and are expected to be completed by June 2019.

SRG has a long history of successfully delivering dam strengthening projects with the installation of world record capacity ground anchors and this will be the fifth dam project to use the world record capacity 91 strand anchors.

This significant project sees our Civil and Mining teams collaborating to deliver an end to end solution to WaterNSW. ///

BASS POINT PROJECT COMPLETE

SRG has recently completed the \$8.4M Bass Point Quarry project.

The project is located in an existing working quarry at Shellharbour near Wollongong in NSW, two hours south of Sydney.

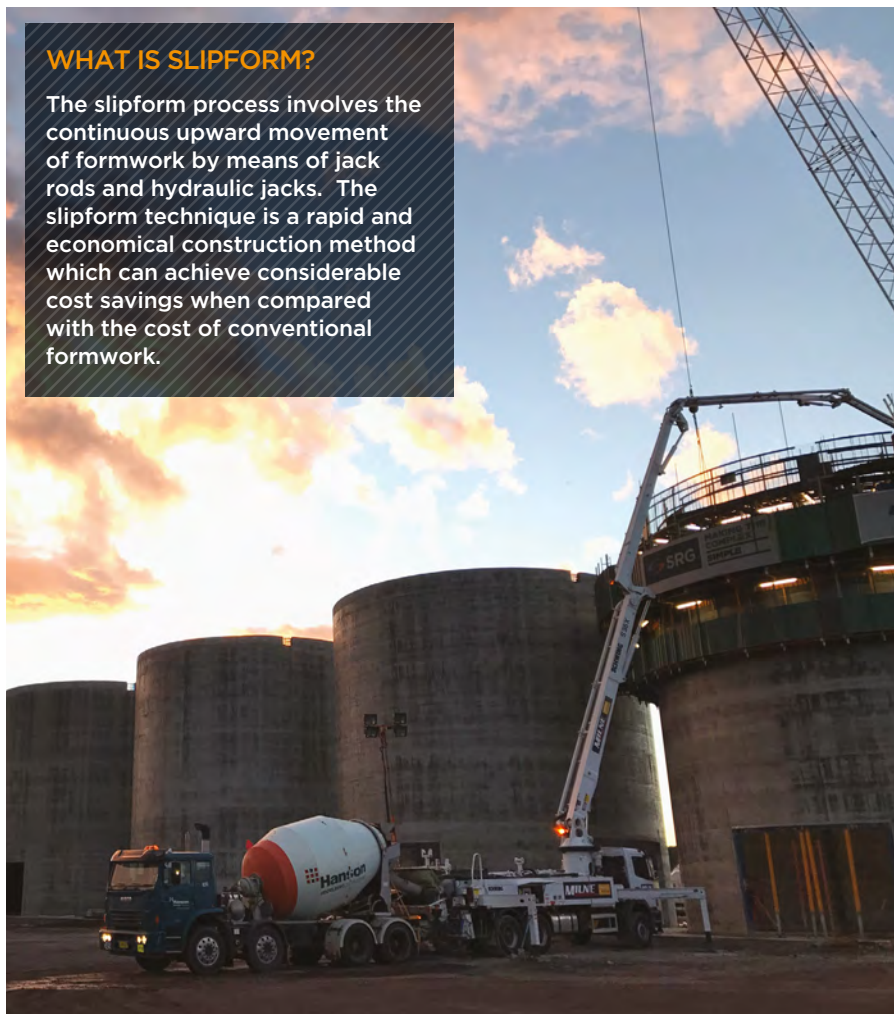
SRG performed slipform construction works on six silos. The silos are each 15.6m high with an internal diameter of 15m and will hold quarry aggregates and manufactured sand. The site team worked around the clock during each slipform operation to reach the full height of 15.6m over six back-to-back shifts.

Upon completion, the Bass Point project will see the quarry operator maximise the processing of basalt for the 25 year granted lifeline of the quarry.

SRG's expertise with slipform and detailed reinforced concrete works was integral to securing this now complete project. ///

WHAT IS SLIPFORM?

The slipform process involves the continuous upward movement of formwork by means of jack rods and hydraulic jacks. The slipform technique is a rapid and economical construction method which can achieve considerable cost savings when compared with the cost of conventional formwork.



JUPITERS GOLD COAST



SRG SECURES ROLE IN THE CONSTRUCTION OF ICONIC GOLD COAST PROJECT

SRG's Building team in Queensland has been selected to assist Probuild Constructions, through the provision of post-tensioning installation services for Jupiters' new six-star tower on the Gold Coast.

Comprised exclusively of luxury rooms and suites, the 17-storey tower forms part of an existing \$345 million transformation at Jupiters and is the first six-star hotel to be built on the Gold Coast in more than 15 years.

SRG is responsible for the supply, installation, stressing and grouting of approximately 160 tonnes of post-tensioning over 30,000m².

Work is scheduled to be completed in time for the Gold Coast 2018 Commonwealth Games. ///



OVER \$10M OF WORK SECURED BY BUILDING DIVISION

As a result of our effective tendering processes and strong pipeline, the SRG Building division has secured a number of new projects over the last few months, worth in excess of \$10m. Through these projects, the Building team will deliver post-tensioning design and construction to customers. Some of the recent project wins include:

- UTS Central Building 2 NSW - value \$1.9M
- Australian Technology Park NSW - value \$1.8M
- Gurner Stage 2 QLD - value \$1.0M

FACADE REFURBISHMENT WORKS COMPLETE AT PALAIS THEATRE



The restoration of one of Melbourne's most iconic and best-loved entertainment venues, Palais Theatre, is now complete.

The Services team has recently completed the facade refurbishment works on the Palais Theatre. Located in St Kilda, the 90-year-old building is the largest seated theatre in Australia. The former cinema, which retains many of its original features, is considered one of the finest examples of Art Deco architecture in the country and is included on the Victorian Heritage Register.

Facade refurbishment works commenced in August 2016, following months of investigation and project development with the Managing Contractor, Built Pty Ltd and were completed in March 2017. ///

SRG RECEIVES TWO ACRA AWARDS FOR EXCELLENCE

The Services team in Victoria has recently been acknowledged for its hard work and dedication by receiving two Awards for Excellence from the Australasian Concrete Repair Association (ACRA).

The annual ACRA awards night was held in Sydney on October 27 where entrants from around Australia were showcased for their works in concrete repairs.

There were five categories of awards and SRG was named winners of two of these categories.

In the category of Buildings - SRG took out the Award for Excellence for the Punt Hill Apartments project in Melbourne which involved facade refurbishment.

In the category of Strengthening - SRG took out the Award for Excellence for the widening of Princes Highway East Bridge over Barwon River at Winchelsea.

This is a fantastic achievement for the Services team and follows the news in September 2015 that SRG has been highly commended in the Technology category of the Concrete Institute of Australia awards for SureLok. ///



INTRODUCING THE NEW SURELOK BASEMENT RETENTION SYSTEM



SureLok Basement Retention System (BRS) installed on site

Our SRG Products division is continually using innovative techniques and outside the box thinking to provide solutions for our customers.

Connecting post-tensioned slabs to basement walls has long been an issue in the construction industry. SRG's Products team has been working with builders to find more efficient and cost effective approaches to solve this problem. Previously, this connection has been achieved by using pour strips or stitching strips. These methods are time consuming and expensive as they require a gap to be left between the wall and the floor which is filled with a second concrete pour after the main slab has settled, some four to five weeks after the first concrete pour. Considerable time is spent cleaning out the strips, tying reinforcement steel into the strips and then dragging large heavy hoses around propping in order to get cement into the strips.

To combat these issues, SRG has developed the **SureLok Basement Retention System (SureLok BRS)**.

The SureLok wall anchors can be fixed inside the basement wall prior to shotcrete being applied. Dowel

bars are then screwed into the anchor once the formwork floor is in place. The floor pulls away from the wall during the curing of the concrete, leaving a 5 to 10mm gap. Once the concrete has settled, the SureLok BRS unit is then grouted, locking the joint.

The benefits of the SureLok BRS to the builder are significant, including:

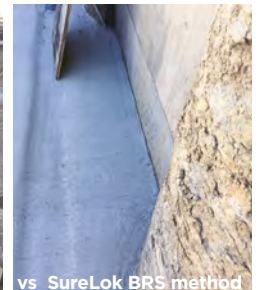
- Improved safety
- Only one pour required per floor
- Early stripping of formwork
- Other trades can start earlier
- Significant time saving over the duration of the project

The dowel bar can also be chemset into the wall allowing for a post-fix option. The post-fix option is being used currently inside the old Adena Hotel in Brisbane to renovate and install new floors to existing walls.

Projects to date in Brisbane which have utilised SRG's new SureLok BRS include West Village, Illumina, 8 Banks Street, 900 Ann Street and James Street Hotel. ///



Typical pour strip method



vs SureLok BRS method



Post-tensioning installation alongside SureLok BRS

INTERNATIONAL OPERATIONS BUILDING MOMENTUM

SRG has been operating internationally for decades, however we made the move to expand our international team recently, culminating in two key appointments and the set up of a new office in Hong Kong to take advantage of business opportunities in the region.

International operations consist of the newly established Hong Kong team as well as SRG's South Africa and Middle East teams (including Dubai, Oman, Abu Dhabi and Qatar) who this year will celebrate twenty years of service in the region.

Mike Clarke was appointed Executive General Manager International in June 2016 and is supported by Colin Birkby, General Manager Hong Kong and Warwick Ironmonger, General Manager Middle East.

Activity in Hong Kong is starting to build and the team has recently moved into a new office which is located within the Exchange Tower in Kowloon Bay, Hong Kong. The team is currently pursuing international opportunities in the LNG/LPG, dams and major infrastructure spaces. ///



One at Palm Jumeirah in Dubai



MIKE CLARKE EXECUTIVE GENERAL MANAGER INTERNATIONAL

Mike joined SRG as Executive General Manager International in June 2016 and brings over 26 years' international experience. Prior to joining SRG, Mike held the role of General Manager (Macau) at Leighton Asia. He has also held senior roles on high profile and complex civil, building and mining projects throughout Asia. He has been based in Hong Kong for over 20 years.

A Chartered Engineer, Mike holds a Bachelor of Science degree from the University of Leeds and a Doctorate (Mining Engineering) from the University of Nottingham. He is also a member of the Hong Kong Institution of Engineers, the Institution of Materials, Minerals and Mining, and the Chartered Institute of Building.



COLIN BIRKBY GENERAL MANAGER HONG KONG

Colin joined SRG as General Manager Hong Kong in August 2016 and brings over 29 years' experience in large scale project delivery.

He has lived and worked in Hong Kong for the past 23 years and through his management of numerous large infrastructure projects has gained considerable exposure to the local business environment including government departments, legal framework and contracting in general.

A Chartered Surveyor, Colin holds a Bachelor of Science degree in Building from Nottingham Trent University.

WHAT IS INCREMENTAL LAUNCHING?

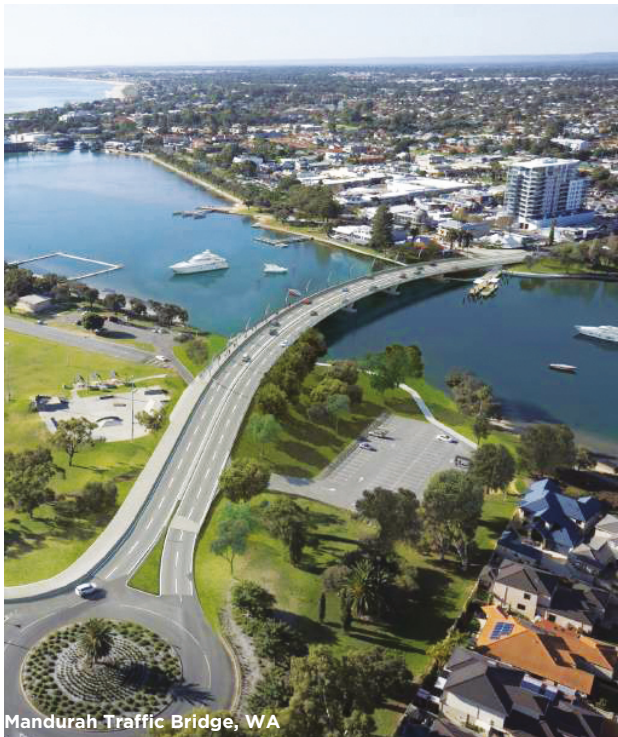


Lawrence Hargraves Drive NSW

WHAT IS INCREMENTAL LAUNCHING?

Incremental launching is a common construction method for bridges over waterways, road or rail with long spans. The bridge deck is cast in segments behind the bridge abutment. Each segment is matchcast against the previous segment and pre-stressed to the segment in front. The structure is then pushed forward (launched) the distance of each segment and the process is repeated until the bridge is in the final position.

LAUNCHING BRIDGES IN WESTERN AUSTRALIA



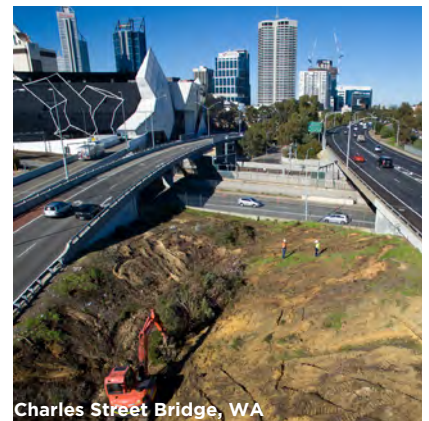
Mandurah Traffic Bridge, WA

SRG currently has a number of bridge projects underway throughout Australia, including two incremental launching bridge projects in Western Australia.

ABOUT THE PROJECTS

The civil team is currently working on the Mandurah Traffic Bridge and has recently completed the Charles Street Bridge project, both located in Western Australia. The Old Mandurah Traffic Bridge Replacement project is located in Mandurah, 75 kilometres south of Perth in Western Australia. SRG is completing the incremental launching and post-tensioning services on the project for Georgiou Group, with work commencing on site in September last year and expected to be completed by May 2017.

SRG has also recently provided incremental launching and post-tensioning services on the Charles Street Bridge which is located in Perth's CBD for York Civil. Works on site commenced in October and were recently completed in March. ///



Charles Street Bridge, WA

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