

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement,
application for quotation of additional securities
and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Southern Cross Electrical Engineering Limited

ABN

92 009 307 046

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | Performance Rights (for the 2012 financial year) granted under the Southern Cross Electrical Engineering Limited Senior Management Long Term Incentive Plan |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 515,000 |

+ See chapter 19 for defined terms.

<p>3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p>	<p>The key terms of the Performance Rights are:</p> <ul style="list-style-type: none"> • To be performance tested over a three year period from 1 July 2011 to 30 June 2014. No Performance Rights will vest until 30 June 2014. • Performance testing criteria are 50% against Absolute Total Shareholder Return (“TSR”) performance, and 50% against Absolute Earnings per Share (“EPS”) performance, as detailed below. • Expiry on the 4th anniversary of the Grant Date, unless an earlier lapsing date applies <p>TSR The TSR formula is: $((\text{Share Price at Test Date} - \text{Share Price at Start Date}) + (\\$ \text{ Dividends Reinvested}))/\text{Share Price at Start Date}$ TSR will be assessed against the following targets:</p> <ul style="list-style-type: none"> • For threshold performance: 12% per annum compounded over the Performance Period; and • For stretch performance: 15% per annum compounded over the Performance Period. <p>The vesting schedule is as follows, TSR performance over relevant Performance Period:</p> <ul style="list-style-type: none"> • Less than 12% per annum compounded 0% vesting • 12% per annum compounded 50% vesting • Between 12% and 15% per annum compounded Pro-rata vesting between 50% and 100% • At or above 15% per annum compounded 100% vesting <p>EPS The vesting schedule is as follows, EPS performance over relevant Performance Period:</p> <ul style="list-style-type: none"> • Less than 12 cents per share 0% vesting • 12 cents per share 50% vesting • Between 12 and 15 cents per share Pro-rata vesting between 50% and 100% • At or above 15 cents per share 100% vesting <p>Once the performance measurement calculation has been finalised the company will allot and issue the equivalent number of shares at nil consideration on the basis of one ordinary share per vested Performance Right for all Performance Rights exercised.</p>
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+ See chapter 19 for defined terms.

<p>4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>No.</p> <p>Prior to vesting, the Performance Rights do not carry a right to vote, receive dividends, or generally participate in other corporate actions. When the Performance Rights have vested ordinary fully paid shares are issued which will rank equally with the Company's already quoted securities.</p>				
<p>5 Issue price or consideration</p>	<p>Nil.</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The Performance Rights are issued to senior managers under the Southern Cross Electrical Engineering Limited Senior Management Long Term Incentive Plan, which seeks to reward performance in support of the achievement of the strategy of the business.</p>				
<p>7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates</p>	<p>31 May 2012</p>				
<p>8 Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table> <tr> <th data-bbox="766 1523 1069 1568">Number</th><th data-bbox="1069 1523 1362 1568">⁺Class</th></tr> <tr> <td data-bbox="766 1568 1069 1796">161,486,826</td><td data-bbox="1069 1568 1362 1796">Ordinary Fully Paid Shares</td></tr> </table>	Number	⁺ Class	161,486,826	Ordinary Fully Paid Shares
Number	⁺ Class				
161,486,826	Ordinary Fully Paid Shares				

⁺ See chapter 19 for defined terms.

9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in clause 2 if applicable)	Number	⁺ Class
		166,667	Options exercisable at \$1.15 expiring on 28 November 2012
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		52,623	Financial Year 2011 Performance Rights with EPS growth as the vesting condition granted under the Southern Cross Electrical Engineering Limited Senior Management Long Term Incentive Plan
		52,623	Financial Year 2011 Performance Rights with Relative TSR as the vesting condition granted under the Southern Cross Electrical Engineering Limited Senior Management Long Term Incentive Plan
		1,311,954	Financial Year 2012 Performance Rights granted under the Southern Cross Electrical Engineering Limited Senior Management Long Term Incentive Plan

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The ability to pay dividends will depend on the Company's future earnings, taxation and cash resources.
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Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A

⁺ See chapter 19 for defined terms.

13	Ratio in which the ⁺ securities will be offered	N/A
14	⁺ Class of ⁺ securities to which the offer relates	N/A
15	⁺ Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	N/A
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	N/A

⁺ See chapter 19 for defined terms.

26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Despatch date	N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) ☐ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	N/A	
39	Class of +securities for which quotation is sought	N/A	
40	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: <ul style="list-style-type: none"> the date from which they do the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	N/A	
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that other security)	N/A	
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	Number	+Class
		N/A	N/A

+ See chapter 19 for defined terms.

Quotation agreement

1 ⁺Quotation of our additional ⁺securities is in ASX's absolute discretion. ASX may quote the ⁺securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the ⁺securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those ⁺securities should not be granted ⁺quotation.
- An offer of the ⁺securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any ⁺securities to be quoted and that no-one has any right to return any ⁺securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the ⁺securities be quoted.
- If we are a trust, we warrant that no person has the right to return the ⁺securities to be quoted under section 1019B of the Corporations Act at the time that we request that the ⁺securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before ⁺quotation of the ⁺securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



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Date: 31 May 2012

Company Secretary

Print name:

Chris Douglass

⁺ See chapter 19 for defined terms.