



CEC GROUP

ASX ANNOUNCEMENT

2 July 2007

“CEC Group make Mt Isa acquisition as first step in North Western Queensland expansion”

North Queensland based property, construction and waste management company, the CEC Group announces the purchase of Pavex Constructions in Mt Isa for \$14.5 million.

Pavex Constructions Pty Ltd has been operating for over 30 years as a major civil engineering contractor in North Western Queensland. With an extensive history in building dams, mine sites, highways and roads, car parks and building sites the company also has extensive raw material experience and capability. Pavex operates quarry activities, bitumen sealing, asphalt paving and ready mix concrete production and supply. Added to this is an extensive transport network and a soils testing laboratory.

CEC Group CEO, Mr Roy Lavis explained the purchase in the following terms “we have a very specific and focused growth plan for Queensland and this includes making strategic acquisitions that align with our corporate culture and our vertical integration model. Pavex fits both perfectly, having its own extensive thirty year history and a business model very similar to that of the CEC Group. We look at this as the beginning of our expansion into the central and western Queensland region”.

Mr Lavis continued “when looking for acquisitions we place considerable emphasis on businesses where we can apply our expertise to increase efficiency or ensure that we can add value to the overall operation, and ideally we prefer it when we can do both”.

The CEC Group continues to enjoy strong growth and profitability since floating in 2004. The company has expanded its operation to employ well over 500 staff, increase annual turnover to in excess of \$200 million and the share prices continues to trade at a significant premium.

Mr Lavis summarised by stating “the Pavex acquisition will increase the overall profitability of the CEC Group and that means long term security and dividends for our shareholders”.