



CEC GROUP

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ASX ANNOUNCEMENT 19 April 2007

CEC GROUP ANNOUNCES SHARE PLACEMENT AND FORTHCOMING RIGHTS ISSUE

Cairns based property development, civil construction and waste management company, CEC Group Limited (ASX: CEG) hereby announces the placement of 8,391,408 million shares with institutions and sophisticated investors. The shares have been placed at an ex-dividend price of \$2.00 per share which will raise \$16,782,816, less applicable commissions.

CEC will shortly also be undertaking an underwritten renounceable rights issue. While the precise terms of the rights issue are still to be confirmed by the CEC Board, the CEC Board has resolved that the rights issue will take the form of an underwritten 1 for 6 pro-rata renounceable rights issue. The issue price for the shares to be offered under the rights issue has been set at \$1.90 per share. Eligible shareholders will be entitled to apply for additional shares at the issue price out of the shortfall of shares not taken up under the rights issue. Investors under the placement will be entitled to participate in the rights issue and have agreed to underwrite any shortfall of shares not taken up under the rights issue and not taken up by eligible shareholders under the over-allotment facility.

CEC intends to announce the summary of the final terms of the rights issue (including the timetable for the rights issue and the issue price for shares offered under the rights issue), to lodge an Appendix 3B and to lodge a prospectus in relation to the rights issue with ASIC and the ASX on or around Thursday, 26 April 2007.

Funds from the placement and rights issue will be used to both fund the company's growth strategies and to selectively retire existing debt.

ENDS

For more information please contact either:

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For more information on CEC Group please visit www.cecgroup.com.au or contact Kevin Lubbe, our Company Secretary on +61 (7) 4035 3500, email klubbe@cecgroup.com.au