



CEC GROUP

ASX ANNOUNCEMENT

10 October 2008

Non-Executive Director Resignation

CEC Group Limited (ASX: CEG) today announced the resignation of Mr. Greg Kern from the Board effective October 10, 2008.

Mr. Kern played an instrumental role in developing the CEC Group by helping to form the founding Board, steering the company through its ASX listing, managing the acquisition of the Cairns and Port Stephens Bedminster Plants and overseeing the recent debt restructure and business rationalization program.

Mr. Kern explained “we feel that we have achieved a major milestone in terms of directing the company through the recent restructure. This is the latest of a series of significant projects that we have been actively involved in for the CEC Group.

Clearing in excess of \$70 million worth of debt in a matter of months is a complex process requiring hard decisions, strong leadership and high level financial expertise and advice. We now believe that this process is well and truly in hand and the CEC Group is well positioned to go forward in a strong and focused manner.

With this in mind, I have decided that the time is right to resign so I can focus on a major expansion drive for the Kern Group, of which I am CEO. In light of the demand for specialist corporate advisory skills as a result of the sub prime issue, there is a significant business opportunity for the Kern Group and this will require a greater amount of my time and energy.

This said I remain a significant shareholder in the CEC Group. The CEC Group’s management team has been strengthened over the last few months and is now well placed to take the company forward”.

Mr. Roy Lavis, CEO of the CEC Group stated “Greg was the lead advisor for the IPO in 2004 and since then he has been very much involved in taking the company forward as a Director and adviser. Most recently he has been instrumental in steering the company through its successful debt reduction program .Overall we are building the CEC Group to be financially strong, focused on our objectives and clear about the opportunities that lay before us.

I feel that Greg Kern has contributed at the highest level to ensure that this happens. I know that I speak on behalf of the Board in thanking Greg for his efforts and commitment to the company and we look forward to working with Kern Group going forward.”

About The CEC Group Ltd

CEC Group is a vertically integrated civil construction and property development company operating in North Queensland. CEC is engaged in civil engineering and construction, supply of building and construction materials, maintenance services, and property development.

The company has operations in Cairns, Townsville, Mt Isa and Cooktown. CEC was founded in 1977 and listed on the Australian Stock Exchange in June 2004.

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For more information on the CEC Group, please visit www.cecgroup.com.au