

Australian Securities Exchange
 Company Announcements Office
 10th Floor
 20 Bond St
 SYDNEY NSW 2000

28th July 2008

Via E - lodgement

Dear Sir

Re: Update on 2007/8 Earnings Guidance

Following a review of the unaudited accounts for the financial year ended 30th June 2008 the Company provides the following information:

	(\$'000)		(\$'000)		(\$'000)
	<u>Unaudited Actual</u>	<u>%</u>	<u>Previous Guidance</u>	<u>%</u>	<u>Variance</u>
Group Revenue	120,000		140,000		(20,000)
Net Profit before tax from operations (*)					
- Minimum	10,500	8.75	12,000	8.57	(1,500)
- Maximum	12,500	10.40	12,000	8.57	500

(*) Before expensing director options granted in Nov 07 and amortisation or impairment costs (if any)

During the month of June two large fixed price contracts were completed and are now subject to project close out and commercial settlement. It is envisaged that final settlement of the claims pertaining to these contracts will be reached by the time the Company releases its audited results to the ASX in late August.

Overall margins are expected to be greater than previously advised as indicated in the table above.

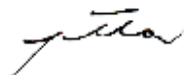
Group revenue was primarily impacted by project delays in Ghana, West Africa caused by late supply of materials to a construct only project.

Last year (2006/07) the company reported a net profit before tax of \$3.9m on group revenue of \$74m. This year's result will represent an increase of between 170-220% in operational earnings on a 62% increase in revenue.

The company further advises that its wholly owned subsidiary Abesque Engineering & Construction Ltd has commenced engineering and design for Hillgrove Resources Kanmantoo project. It is envisaged that construction of this project, which is subject to final EPA approval and financial close will commence in the second half of 2008/9.

Cimeco Pty Ltd continues to grow organically and has enjoyed a most successful year. Further efficiencies are expected in the 2008/9 year as a result of merging the mechanical construction activities of Abesque Engineering and Construction Ltd with those of Cimeco Pty Ltd. The Company proposes to make further announcements in this regard at a later date.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter Hutchinson', written in a cursive style.

Peter Hutchinson
Managing Director