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

Downer EDI Limited

ABN

97 003 872 848

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	Fully paid ordinary shares (***Ordinary Shares***)
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	59,293,425 fully paid ordinary shares (***New Shares***) to be issued pursuant to the Institutional Entitlement Offer described in the ASX Announcement and Investor Presentation lodged with the ASX and NZX on 28 February 2011 (the ***Announcement Materials***), including 121,775 new shares issued by way of placement at $3.75 per share due to a reconciliation adjustment under the institutional bookbuild. Up to a further 26,506,588 fully paid ordinary shares will be issued pursuant to the Retail Entitlement Offer, subject to rounding and the reconciliation of shareholder entitlements.

+ See chapter 19 for defined terms.

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)	Fully paid Ordinary Shares
4	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: • 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	Yes, the new shares will rank pari passu with the fully paid ordinary shares in Downer EDI Limited currently on issue.
5	Issue price or consideration	A$3.25 per New Share, other than 121,775 new shares issued by way of placement at $3.75 per share due to a reconciliation adjustment under the institutional bookbuild
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The proceeds will be used to pursue attractive growth opportunities, strengthen Downer's balance sheet and support Downer maintaining investment grade credit metrics.
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	16 March 2011 for shares issued under the Institutional Entitlement Offer. 1 April 2011 under the Retail Entitlement Offer.

Number	+Class

8	Number and +class of all +securities quoted on ASX (*including* the securities in clause 2 if applicable)	After completion of the Institutional Entitlement Offer there will be 402,471,908 Ordinary Shares on issue (based on the 343,178,483 Ordinary Shares on issue as at the date of this Appendix 3B and the 59,293,425 New Shares to be issued under the Institutional Entitlement Offer, including the 121,775 new shares issued by way of placement). After completion of the Retail Entitlement Offer there will be approximately 428,978,496 fully paid ordinary shares (based on the number of shares on issue as at the date of this Appendix 3B, the number of shares issued under the Institutional Entitlement Offer and the number of shares to be issued under the Retail Entitlement Offer subject to the effects of rounding).	Ordinary Shares

+ See chapter 19 for defined terms.

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (*including* the securities in clause 2 if applicable)	Nil	Not applicable.

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Same as for existing fully paid ordinary shares

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No.
12	Is the issue renounceable or non-renounceable?	Renounceable.
13	Ratio in which the +securities will be offered	1 fully paid ordinary share for every 4 existing shares held as at the record date (see item 15 below)
14	+Class of +securities to which the offer relates	Fully paid ordinary shares
15	+Record date to determine entitlements	7:00pm (AEDT) Thursday 3 March 2011
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No.
17	Policy for deciding entitlements in relation to fractions	Where fractions arise in the calculation of shareholders' entitlements under the Entitlement Offer they will be rounded up to the next whole number of the new shares.
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	All countries other than Australia and New Zealand and any other jurisdictions into which it is decided to make offers.

+ See chapter 19 for defined terms.

19	Closing date for receipt of acceptances or renunciations	For the Institutional Entitlement Offer – 5.00pm (AEDT) on 1 March 2011 For the Retail Entitlement Offer – 5:00pm (AEDT) on 23 March 2011
20	Names of any underwriters	UBS AG Australia Branch, RBS Equity Capital Markets (Australia) Limited, Deutsche Bank AG, Sydney Branch
21	Amount of any underwriting fee or commission	A management and arranging fee equal to 0.5% of the offer amount, and an underwriting fee of 1.75% of the offer amount, for the offer. Incentive fees of up to a further 0.25% of the offer amount are payable based on the final offer price and the success of each of the institutional and retail offers. The fees are payable in the proportion of 40/40/20 as between UBS/RBS/Deutsche.
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Not applicable
25	If the issue is contingent on +security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	No prospectus was produced. An offer document and entitlement and acceptance form was sent to eligible shareholders on 8 March 2011.
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	Not applicable
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable

+ See chapter 19 for defined terms.

30	How do +security holders sell their entitlements *in full* through a broker?	Not applicable
31	How do +security holders sell *part* of their entitlements through a broker and accept for the balance?	Not applicable
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	Not applicable
33	+Despatch date	16 March 2011 for shares issued under the Institutional Entitlement Offer. 1 April 2011 for shares issued under the Retail Entitlement Offer.

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

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

+ See chapter 19 for defined terms.

37	☐	A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	Not applicable
39	Class of +securities for which quotation is sought	Not applicable
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: • 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	Not applicable
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)	Not applicable

		Number	+Class
42	Number and +class of all +securities quoted on ASX (*including* the securities in clause 38)	Not applicable	Not applicable

+ 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: Date: 15 March 2011

Company secretary

Print name: Bruce Crane

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+ See chapter 19 for defined terms.