Southern Cross Electrical Engineering Limited
ABN 92 009 307 046

Senior Management Long Term Incentive Plan

Invitation

26 November 2007

Simon Buchhorn
Chief Operating Officer
Southern Cross Electrical Engineering Limited
41 Macedonia Street
NAVAL BASE WA 6165

Dear Simon

Invitation

As recognition of your continuing commitment to Southern Cross Electrical Engineering Limited (**Company**), the Company would like to invite you to participate under the Company's Senior Management Long Term Incentive Plan (**Plan**).

This invitation is made on the general terms and conditions contained in the rules of the Plan (**Rules**) and on the specific terms and conditions of this invitation, which are detailed below. You should read those terms and conditions carefully.

A capitalised term that is defined in the Rules has the same meaning in this invitation.

This invitation is accompanied by a copy of the Rules and an Application Form.

Terms & Conditions

You are invited to participate under the Plan on the terms and conditions of the Rules and the following terms and conditions:

1. Offer

1.1 You are invited to apply for up to 500,000 Options. You may accept and apply for the whole or any lesser number of Options.

1.2 This Offer will remain open until 28 November 2007, and if not accepted by that date, it will cease unless extended by the Company.

2. Date of grant

2.1 Subject to the terms and conditions of the rules and this invitation, the Options will be granted as soon as practicable after:

(1) a contract has been formed between you and the Company under rule 2.2 of the Rules; and

(2) the conditions in paragraph 8 of this invitation are satisfied.

3. Grant price

3.1 No amount is payable by you for grant of the Options.

4. Exercise Price

4.1 Subject to any adjustment under rule 9 of the Rules, the Exercise Price for each Option is $1.15.

5. Vesting Conditions

The Options will vest and only become exercisable in accordance with the following schedule:

(1) 1/3rd of the Options will vest on the 1st anniversary of the date of grant if the TSR for the 12 month period ending on that date is above the threshold TSR determined by the Board and advised to the Participant as soon as practicable following the commencement of that 12 month period;

(2) 1/3rd of the Options will vest on the 2nd anniversary of the date of grant if the TSR for the 12 month period ending on that date is above the threshold TSR determined by the Board and advised to the Participant as soon as practicable following the commencement of that 12 month period; and

(3) 1/3rd of the Options will vest on the 3rd anniversary of the date of grant if the TSR for the 12 month period ending on that date is above the threshold TSR determined by the Board and advised to the Participant as soon as practicable following the commencement of that 12 month period.

Any Options that do not vest and become exercisable in accordance with the above Vesting Conditions will automatically lapse.

6. Exercise Period

6.1 Subject to any variation under rule 6.2 of the Rules, the Exercise Period in respect of each Option commences on the date that the Vesting Conditions in respect of that Option is satisfied and ends on the 4th anniversary of the commencement of the Exercise Period in respect of that Option.

6.2 Any Option that has not been exercised before the end of the Exercise Period will lapse.

7. Disposal Restrictions

A Share acquired as a result of the exercise of an Option must not be sold, transferred or otherwise dealt with if doing so would result in a breach of the Listing Rules, the ASTC Settlement Rules or the terms of any restriction agreement with the Company.

8. Other terms and conditions

An application in response to this invitation must be accepted by the Board before you will become a Participant.

These terms and conditions may be amended unilaterally by resolution of the Board where the Board considers it reasonably necessary to do so, even if your rights will be adversely affected by the amendment. You will be notified of any amendment to these terms and conditions.

9. Definitions

9.1 In these terms and conditions:

(1) **Market Value** means the value determined by reference to the weighted average market price of Shares at or near the end of a relevant period and fair market value of any other shares in the Company at the end of the relevant period; and

(2) **TSR** means the percentage shareholder return for a period determined by the aggregate of the Market Value at the end of the relevant period and each amount of money or the market value of property paid, distributed, transferred or set aside for distribution by the Company to its shareholders.

Taxation

You should consult your own financial or tax adviser about the taxation implications of your participation under the Plan.

While the following should not be considered to be tax advice, the general taxation position that the Company understands applies is:

(1) if you elect to be taxed up-front in the income tax year in which the Options are issued, you will be subject to income tax in that income tax year on the market value of your Options at the date of issue. The exercise of the Options will not give rise to any tax liability. The capital gains tax regime will apply to the Shares going forward. Your cost base in the Shares will be the market value of the Options at the date they were issued plus the exercise price payable on your Options. You may realise a capital gain or loss on disposal of your Shares. The 50% CGT discount concession may be available if you hold the Shares for more than 12 months; or

(2) if you do not elect to be taxed up-front, no taxation consequences will arise on issue of your Options. Instead, and assuming you and the Company do not agree to any disposal restrictions on your Shares, you will be subject to income tax at the time of exercise of your Options. If you dispose of your Shares (received on exercise of your Options) within 30 days, income tax will be payable on the amount received on their disposal less the exercise price paid to exercise your Options. If you do not dispose of your Shares within 30 days, income tax will be payable on the market value of your Shares at the time of exercise less the exercise price payable for your Options. The 50% CGT discount concession will not be

available. The capital gains tax regime will apply to the Shares going forward. Your cost base in the Shares will be the market value of your Shares at the time of exercise. You may realise a capital gain or loss on disposal of your Shares. The 50% CGT discount concession may be available if you hold the Shares for more than 12 months

If you and the Company subsequently agree to restrictions on the disposal of your Shares, you will be subject to income tax when the disposal restrictions cease to apply and not when you exercise your Options. If you dispose of your Shares within 30 days of the disposal restrictions ceasing to apply, income tax will be payable on the amount received on their disposal less the exercise price payable on your Options. If you do not dispose of your Shares within 30 days, income tax will be payable on the market value of your Shares at the time the disposal restrictions cease to apply less the exercise price payable for your Options. The 50% CGT discount concession will not be available. The capital gains tax regime will apply to the Shares going forward. Your cost base in the Shares will be the market value of your Shares at the time the disposal restrictions cease to apply. You may realise a capital gain or loss on disposal of your Shares. The 50% CGT discount concession may be available if you hold the Shares for more than 12 months

Please note that market value for the purposes of the above taxation implications is calculated under the rules set out in the relevant tax legislation and is not "Market Value" as defined in paragraph 9(1) above.

Financial advice

The Company does not provide any financial advice in connection with this invitation and does not make a recommendation to you in connection with the Options. You should consider obtaining your own financial product advice from an independent person who is licensed by the Australian Securities and Investments Commission to give that advice.

Rules

Your participation under the Plan and the grant of Options to which this invitation relates is subject to the specific terms and conditions of this invitation and the terms and conditions of the Rules. You should read the Rules in conjunction with this invitation.

This invitation should be interpreted in accordance with the Rules. In the case of any conflict between this invitation and the Rules, the Rules will prevail.

Application

If you wish to apply for the Options to which this invitation relates, you must complete and sign the application form accompanying this invitation.

You will then need to return your completed application form to the Company at the address shown on the application form by the date on which the invitation closes. You should note that the invitation closed on 28 November 2007; however, the Company may bring forward or extend this date at any time. Therefore, if you choose to apply for all or any of the Options to which this invitation relates, you should endeavour to return your completed application form to the Company as soon as possible, but in any event by no later than 28 November 2007.

Yours sincerely

Frank Tomasi
Chairman
Southern Cross Electrical Engineering Limited