

ASX RELEASE
17 November 2000

SKILLED ENGINEERING LIMITED

NEW CONSULTANCY AGREEMENT

Skilled Engineering Limited is pleased to announce that it has extended its business association with Adrian Field and Russell Small by terminating the previous arrangement with their consultancy company Communication Services Australia (Holdings) Pty Ltd ("CSA") and entering into a new three year agreement.

The original consultancy agreement provided for the services of Adrian Field and Russell Small solely in connection with the Skilled Communications business, and payment to CSA of a commission based on the net profit of the Skilled Communications business. Skilled is of the view that this arrangement, whilst having served the interests of the business well in the past, was not the most efficient mechanism for future operations, and was not in the overall interests (including financial interests) of the Skilled Group. Different arrangements were needed for the future whereby the considerable skills of Adrian Field and Russell Small could be utilised, not just for the benefit of the Skilled Communications business, but for the benefit of the Skilled Group as a whole.

The original consultancy agreement was due to expire in July 2003 with an option to extend the term for a period of a further two years exercisable by CSA, subject to certain performance conditions.

In consideration of terminating the previous arrangement, forgoing entitlement to future commission payments after October 2000 and entering into this new agreement, Skilled will pay CSA an amount of \$2.5 million.

Adrian Field and Russell Small have applied for 837,520 ordinary shares in Skilled Engineering Limited, and have agreed that they be subject to a number of escrow conditions. Directors have agreed to issue these shares and will apply for immediate listing by ASX.

The new agreement, which is for a period of three years with Skilled having an option for a further two years, will be more efficient from the Skilled Group's point of view and less financially onerous.

The Company is extremely pleased to be able to secure this new arrangement with CSA Consulting Pty Ltd, and looks forward to a mutually rewarding relationship.

FURTHER INFORMATION: Norman Fay (03) 9696-3544