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The Manager  
ASX Market Announcements Platform  
ASX Ltd

### **E&A Limited announces delisting from ASX**

E&A Limited (**ASX:EAL**) ("EAL") has today announced its intention to delist from the Australian Securities Exchange ("ASX") ("Delisting"). The proposal will be put forward for shareholder approval at EAL's extraordinary general meeting on 12 April 2017.

The Delisting is considered by EAL's Board ("Board") to be in the best interests of EAL in light of the low level of trading of EAL's shares on the ASX, the costs associated with maintaining the ASX listing and the Board's view that the current market capitalisation of EAL does not reflect the underlying asset value of the business when considering the future prospects of the business. The Delisting will enable the Company to raise capital ("Capital Raising") at prices reflective of EAL's underlying asset value.

The Board believe the Delisting will allow the Company to materially improve the strength of EAL's Balance Sheet.

The Delisting proposal is more fully detailed in a Notice of Extraordinary General Meeting and Explanatory Statement ("Notice of Meeting") which will be dispatched to EAL shareholders ("Shareholders") on 10 March 2017.

EAL intends to provide Shareholders with the opportunity to realise some or all of their investment in EAL via an off-market share buy back ("Buy Back"), upon the Company being delisted and having completed the Capital Raising. Further details regarding the Buy Back are outlined below.

In addition Shareholders will be able to continue to trade their shares on the ASX for one month after the extraordinary general meeting, if the Delisting resolution is approved.

## Delisting

The Directors' key reasons for recommending Shareholders approve the Company's delisting from the ASX are as follows:

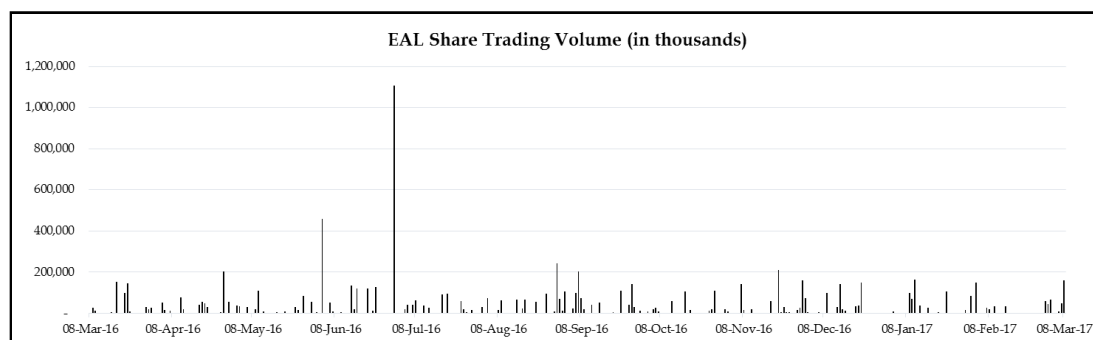
### 1. Market capitalization not reflective of underlying asset value

The Company considers that the limited trading of its shares on the ASX (both in frequency and overall volume) makes it difficult for the market capitalization of the Company to reflect the underlying asset value of the business.

The Company is seeking to delist from the ASX given the low level of trading on the ASX compared to the Company's current issued shares. As set out in the table and chart below, monthly trading volumes in shares have been consistently less than 1% of the Company's total shares on issue. Over the last six months the shares have traded as follows:

Month Ending	Closing Price	Trading Volume (daily average)	Trading Volume (monthly)	% of Total Shares on Issue
8 March 2017	\$0.064	64,849	389,091	0.28%
28 February 2017	\$0.065	58,215	349,292	0.26%
31 January 2017	\$0.065	60,185	541,662	0.40%
22 December 2016	\$0.060	54,293	597,222	0.44%
30 November 2016	\$0.075	50,818	711,449	0.52%
28 October 2016	\$0.080	39,311	393,111	0.29%
30 September 2016	\$0.084	64,839	972,5821	0.71%

The volume of shares traded over the last twelve months is set out in the chart below:



Approximately 62% of the shares are held by 5 Shareholders (including, where applicable, the relevant interests of controlled entities), who are believed to be long-term investors. The Company understands that these Shareholders have no intention of reducing their respective shareholdings for the foreseeable future. The Directors are of the view that this concentration of ownership amongst a small number of Shareholders limits both the 'free-float' of the Company's shares listed on the ASX and investor interest in trading shares via the ASX.

## **2. Inability to raise capital at prices reflective of underlying asset value**

The volume weighted average price per share for the 30 day period to 8 March 2017 was \$0.0659 per share. This is a substantial discount to the net assets per share, which was approximately \$0.183 per share as at 31 December 2016. The Company considers that while its shares remain listed on the ASX trading at a significant discount to Net Assets, the prospects of raising funds at a price commensurate with the Net Assets are poor and any future capital raising at current market prices will have a material dilutionary impact on existing shareholders. Based on recent testing of the market appetite for investment in the Company as an unlisted company, the Directors believe the delisting will enable EAL to raise capital at a price reflective of Net Assets.

The Board intends, subject to any necessary approvals if required, to raise capital after delisting. The Board is confident that the Delisting will enable the Company, subject to Shareholder approval, to attract a substantial investor which will both strengthen and improve EAL's financial position.

## **3. Listing and Related Costs**

Given the low level of trading of the Company's shares on the ASX, the Directors consider that the administrative, compliance and financial obligations and costs associated with maintaining an ASX listing are no longer justified nor is the high level of compliance costs in the best interests of all Shareholders. The proposed Delisting is expected to result in savings of approximately \$200,000 in annual listing fees, statutory compliance and other registry and trading costs.

## **4. Regulation**

Removal of the Company from the ASX official list ("Official List") will not result in any substantial diminution of the protection for minority Shareholders provided by the Corporations Act.

### **ASX In-principle Advice**

EAL has sought in-principle advice from the ASX for its removal from the Official List. The ASX has advised that in accordance with EAL's request, the ASX would be likely to agree to EAL's removal request, on receipt of an application to remove EAL from the Official List pursuant to Listing Rule 17.11, subject to compliance with the following conditions:

- a) the request for removal of EAL from the Official List is approved by an ordinary resolution of EAL's Shareholders;
- b) the removal does not take place any earlier than one month after the date on which the resolution to approve the delisting is passed; and
- c) EAL releases the full terms of this decision to the market immediately upon the Company's directors resolving to seek removal of the Company from the Official List.

EAL has today lodged with the ASX a formal request for its removal from the Official List.

The Board recognise that after EAL is delisted, Shareholders will no longer be able to trade their shares on the ASX and that it will be more difficult for Shareholders to dispose of them. The effects of the Delisting and holding shares in an unlisted entity are more fully detailed in the Notice of Meeting. The Board have therefore considered the various ways to return capital to those Shareholders who are seeking to exit their investment, including an off-market share buy back.

The Company considers that it is necessary to restructure its operating structure, debt and equity arrangements. The Board considers that Shareholders should defer making a decision as to whether they participate or not participate in the Buy Back until the proposed Capital Raising and Restructure have been completed.

The Delisting is subject to shareholder approval (as an ordinary resolution at EAL's extraordinary general meeting on 12 April 2017). Further details relating to the Delisting, including potential advantages and disadvantages for Shareholders are included in the Notice of Meeting which will be dispatched to shareholders on 10 March 2017. All shareholders will be entitled to vote on the resolution.

## Buy Back

As advised the Company intends to restructure its operating segments, debt and equity and explore opportunities to raise capital to strengthen EAL's balance sheet. The Buy Back will be implemented after EAL has been delisted and the proposed Capital Raising and the Restructure have been completed.

Key features of the proposed Buy Back are:

- **Size of offer:** up to 27,142,857 representing approximately 20% of the share capital on issue at the time of announcement of the delisting, capped at \$1.9 million.
- **Buy Back Price:** The volume weighted average price per share for the 30 day period to 8 March 2017 was \$0.0659 per share. As a result the Buy Back price including a 6.2% premium on the 30 day volume weighted average price is \$0.07 per share.
- **Timing & Approval:** It intended approval for the Buy Back be sought at the Company's next Annual General Meeting which is scheduled to be held in late October 2017. If the Buy Back is approved, it is envisaged that Shareholders participating in the Buy Back will receive payment prior to the end of the 2017 Calendar Year.
- **Scale back:** If EAL receive applications in excess of 27,142,857 shares, the number of shares bought back from each participating Shareholder will be scaled back pro rata on the number of shares in respect of which a Shareholder has lodged an application under the Buy Back.
- **Executive Management Participation:** EAL's largest shareholder, Mr Stephen Young (and his related body corporates) ("Mr Young"), who presently holds approximately 44.21% of EAL's issued capital, does not intend to participate in the Buy Back. Having regard to the potential increase in the size of Mr Young's shareholding in the Company and resulting impact on control of the Company Mr Young may obtain as a result of not participating in the Buy Back, Mr Young has agreed to abstain from voting when the Buy Back proposal is put to Shareholders.

In determining the Buy Back price, the Board have sought to balance the interests of those Shareholders who wish to participate in the Buy Back with those Shareholders who wish to retain their shares in EAL. The Board have also sought to ensure that EAL remains properly funded to continue its activities and invest in its various businesses as may be required.

Further details of the Buy Back including potential advantages and disadvantages for Shareholders will be included in an Explanatory Statement including an Independent Expert's Report to assist the Shareholders in their decision whether to participate in the Buy Back on a timeline as advised under the Timing & Approval process outlined above.

### **Indicative Timetable**

The indicative timetable for the Delisting is set out below. Subject to the *Corporations Act 2001* (Cth) and the ASX Listing Rules, EAL reserves the right to amend this indicative timetable without prior notice to Shareholders.

<b>Event</b>	<b>Date</b>
<b>Proxy cut off time</b> (Proxy Forms and the authority under which they are signed (if any) must be lodged by this time)	11 am (AEDT), 10 April 2017
<b>Extraordinary General Meeting Voting Entitlement Cut-Off Date</b> (Date for determining entitlement to vote in the Extraordinary General Meeting)	7 pm (AEDT), 10 April 2017
<b>Extraordinary General Meeting</b>	12 April 2017
<b>Suspension Date</b> (Date on which Shares are suspended from trading on ASX (subject to Shareholder approval))	12 May 2017
<b>Delisting Date</b> (Date on which Delisting is expected to take effect)	12 May 2017

For further information:

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