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**Company Announcements Office
Australian Securities Exchange**

Sale of EnviroSuite's Consulting Practice

- **Sale of EnviroSuite's consulting practice to ERM for \$15 million**
- **Agreement in principle for ERM to partner with EnviroSuite to provide solutions to clients' monitoring and reporting needs**

EnviroSuite Limited (ASX: EVS) (**EnviroSuite** or the **Company**) today announced that it has entered into a binding agreement to sell its entire Pacific Environment Consulting practice, including DLA, (together **PEC**) to the world's leading environmental and sustainability consulting group, Environmental Resources Management (**ERM**) for A\$15 million (the **Transaction**). The Transaction is being conducted via a sale of the shares in EnviroSuite's three PEC subsidiaries.

On completion of the Transaction, EnviroSuite will enter into a Cooperation Agreement with ERM pursuant to which the two companies will, amongst other things, collaborate to bring a combination of EnviroSuite's award-winning SaaS platform and ERM's global consulting capabilities to clients across the world.

All PEC staff will transfer to ERM when it acquires the three PEC subsidiaries. The continuing EnviroSuite team will focus exclusively on the global expansion of EnviroSuite's software service and ongoing feature development.

The sale is subject to the satisfaction (or waiver) of various conditions, including:

- there being no material adverse change affecting PEC before completion; and
- other customary completion conditions, including landlord and key customer consents.

Completion of the Transaction is anticipated to occur in late May to early June 2017.

The purchase price of \$15m will be paid in cash on completion and will be subject to agreed adjustments for net debt and working capital. EnviroSuite has agreed with ERM that it will apply \$500,000 of the purchase price towards incentivising current and future leaders of PEC.

In accordance with Listing Rule 11.1.1 the Company provides the following additional information regarding the Transaction:

- ERM will acquire all the shares held by EnviroSuite Limited in Pacific Environment Pty Ltd, Pacific Environment Holdings Pty Ltd and DLA Environmental Services Pty Ltd;
- EnviroSuite Limited will retain all of the shares in EnviroSuite Operations Pty Ltd, EnviroSuite Holdings Pty Ltd and EnviroSuite Corp (USA);
- Based on the audited results for the financial year ended 30 June 2016 the Transaction would have resulted in a decrease in total consolidated assets of \$15.33M to \$6.65M, a reduction in revenue of \$16.13M to \$1.7M and a loss of \$2M to EBITDA, producing an EBITDA loss of \$3.3M.
- There will be no changes to the Company's shares on issue as a result of the Transaction

Following the transaction, EnviroSuite will have a cost base that reflects a SaaS business with a focused technology team and a global sales outlook. A detailed expense line review is currently being undertaken to ensure that the cost base remains as efficient as possible.

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EnviroSuite SaaS Focus

The sale of PEC is a natural extension of EnviroSuite's strategy to become the world's leading provider of SaaS monitoring and operations management services for environmental management solutions. Funds from the sale of PEC will enable the Company to further invest in sales, marketing and ongoing development of the features of the EnviroSuite software platform, to maintain its market leadership and to continue to attract highly skilled individuals and partners.

The timing of the settlement of the sale will support the recent establishment and growth of the sales and marketing teams in the USA and Europe and will add to the current sales momentum in those geographies together with Australasia. With a rapidly growing pipeline, new sales partners and recent sales in Spain, UK, USA and Mexico across a range of industry sectors and government the Company is well placed to make this transition.

ERM has an established internal structure to identify and incorporate external technologies and services into its consulting projects. This paves the way for the development of a strong working relationship with EnviroSuite. ERM has already identified a number of current project opportunities in which it intends to involve EnviroSuite's services.

Robin Ormerod, Managing Director, EnviroSuite, said, *"We are thrilled to announce this transformational deal with ERM. Our market-leading consulting business becomes a valued part of a highly respected global group, offering exciting career opportunities for the team. For EnviroSuite, working with the global leader in environmental management is an exceptional distribution opportunity and one that we expect will be a game changer for our business globally."*

ERM's Chief Executive Officer, Keryn James, said, *"like ERM, EnviroSuite and its Pacific Environment consulting practice has a very strong reputation for professional excellence and client service. We have pursued this acquisition with great enthusiasm and we are confident that it will provide an opportunity to expand our respective offerings to existing clients, as well as a stronger capability and track record for us to pursue new clients in key markets together."*

About ERM

Environmental Resources Management (ERM) is a leading global provider of environmental, health, safety, risk, social consulting services and sustainability related services. Through more than 160 offices in over 40 countries and territories employing more than 4,500 people, ERM is committed to providing a service that is consistent, professional and of the highest quality to create value for its clients. Over the past three years, ERM has worked for more than 50 per cent of the Global Fortune 500 companies, delivering innovative solutions for business and selected government clients, helping them understand and manage the sustainability challenges that the world is increasingly facing.

About EnviroSuite

EnviroSuite Limited (ASX:EVS), is a global provider of monitoring and operational management services through its leading software as a service platform. The EnviroSuite platform presents a range of monitoring, management and reporting capabilities that are incorporated into a diverse array of operations from water treatment to large scale construction, open cut mines, food processing, port operations, environmental regulation and other industry uses. The leading edge software platform complements and facilitates the pace

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of technology adoption by industry and the growing expectations of communities the world over that hold environmental quality as key pillars to human health and wellbeing.

EnviroSuite offers a stand-alone software service through to a comprehensive platform to assist companies with their environmental monitoring, management and reporting requirements.

The EnviroSuite technology was developed, and continues to be driven and supported by some of the world's best minds in environmental monitoring and management. EnviroSuite is receiving increasing global recognition for its innovative platform that is quickly working its way into the everyday operations of industry.

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