



McGrathNicol

ASX ANNOUNCEMENT

6 June 2017

Hughes Drilling Limited (ASX:HDX)

As previously advised, on 22 September 2016 Jason Preston, Shaun Fraser and Jamie Harris, all Partners of McGrathNicol were appointed Joint and Several Voluntary Administrators of Hughes Drilling Limited and each of its controlled entities by a resolution of the directors, with the exception of its US subsidiary, Reichdrill Inc. (together, the "Hughes Drilling Group").

At the second meeting of creditors, held on 8 December 2016, creditors resolved to place HDX into a Holding DOCA ("the HDX DOCA") and Jason Preston, Shaun Fraser and Jamie Harris were appointed Deed Administrators ("the Deed Administrators").

The HDX DOCA was entered into to allow the Deed Administrators time to compare the value of:

- realisations from a sale of the listed shell; or
- realisations from any potential claims available to liquidators.

On 10 March 2016 we commenced the process of seeking expressions of interest from parties regarding recapitalising HDX. A number of expressions of interest were received, and a preferred proponent has now been selected.

Alongside this process, the Deed Administrators have investigated the existence, value and likely success of pursuing claims available to liquidators.

A meeting of creditors of HDX has been convened under section 445F of the Corporations Act 2001, for Wednesday 7 June 2017. At this meeting, the Deed Administrators will recommend that creditors vote in favour of varying the HDX DOCA in order to facilitate a sale and recapitalisation of HDX.

The implementation of this process will require formal shareholder and ASX approvals. Shareholder approval will be sought by way of a Shareholder meeting, to be convened at a later date. Shareholders will be informed of the timing of this, and will receive relevant information on the process in due time.

Contact details and further information

For any enquiries, please contact Timothy Duncan on (02) 9248 9913 or refer to our website.

<http://www.mcgrathnicol.com/assignments/hughes-drilling-group/#>