

ASX RELEASE

15 September 2017

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MITCHELL SERVICES ANNOUNCES \$8.79M EQUITY RAISING

Key Points

- Mitchell Services has raised approximately \$2.52 million before costs via an institutional placement at an issue price of \$0.034 per share
- Mitchell Services to raise approximately \$6.27 million before costs via a 1 for 8 fully-underwritten non-renounceable entitlement offer, also at an issue price of \$0.034 per share
- Offer price of \$0.034 per new share represents (based on the last traded price on 12 September 2017):
 - a 7.1% discount to the TERP of \$0.0366;
 - a 8.1% discount to the last traded price of \$0.0370; and
 - a 15.0% discount to the 5 day VWAP of \$0.0400
- Proceeds from the equity raising will be used to fund the preparation and mobilisation of unutilised rigs and associated equipment, procurement of consumables and recruitment of personnel to fulfil current and expected contract pipeline requirements and additional working capital

Overview

Mitchell Services Limited (ASX: MSV, Mitchell Services or Company) is pleased to announce:

- the successful completion of a placement to institutional and sophisticated investors to raise approximately \$2.52 million (Placement); and
- that it intends to undertake a 1 for 8 pro rata non-renounceable entitlement offer to raise approximately \$6.27 million (Entitlement Offer).

Together the Placement and Entitlement Offer will raise approximately \$8.79 million before expenses (Equity Raising).

The Placement was supported by a range of both existing and new institutional and sophisticated investors. Morgans Corporate Limited (Morgans) was the Lead Manager to the Placement and the Entitlement Offer is fully underwritten by Morgans.

Use of proceeds

The net proceeds from the Equity Raising will be used by Mitchell Services to fund the preparation and mobilisation of unutilised rigs and associated equipment, procurement of consumables and recruitment of personnel to fulfil current and expected contract pipeline requirements and additional working capital.

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Equity raising details

Details of the Placement

Pursuant to the terms of the Placement, Mitchell Services has agreed to issue approximately 74 million fully paid ordinary shares (Shares) to institutional and sophisticated investors at an issue price of \$0.034 per Share to raise approximately \$2.52 million before costs. Settlement of the Placement will occur on 20 September 2017. Shareholder approval is not required as the Placement comes within the Company's existing capacity pursuant to ASX listing rule 7.1A. All Shares issued under the Placement will rank equally with existing shares on issue but will not be eligible to participate in the Entitlement Offer.

Details of the Entitlement Offer

Mitchell Services intends to conduct a \$6.27 million Entitlement Offer through a 1 for 8 pro rata non-renounceable entitlement offer of fully paid ordinary shares in Mitchell Services.

The offer price for the Entitlement Offer will be \$0.034 per share which represents:

- a 7.1% discount to the theoretical ex-rights price (TERP)¹ of \$0.0366 per share;
- a 8.1% discount to the last traded price of Mitchell Services shares (being \$0.0370 on 12 September 2017); and
- a 15.0% discount to the 5 day VWAP of Mitchell Services shares of \$0.0400 per share.

Under the Entitlement Offer, eligible shareholders will be able to subscribe for 1 new ordinary share in Mitchell Services for every existing 8 shares held at 7.00 pm (Brisbane time) on 20 September 2017 (**Record Date**) at the offer price (**Entitlements**).

Approximately 184.6 million new ordinary shares in Mitchell Services will be issued under the Entitlement Offer. New Shares issued under the Equity Raising will rank equally with existing shares.

The Entitlement Offer will include a top up facility under which eligible shareholders who take up their full Entitlement will be invited to apply for additional shares in the Entitlement Offer from a pool of those not taken up by other eligible shareholders. There is no guarantee that applicants under this top up facility will receive all or any of the shares they apply for under the facility.

Mitchell Services' major shareholder, the Mitchell Group (with a current shareholding of approximately 21.3%) has committed to taking up its full Entitlement under the Entitlement Offer. Additionally, all Directors and Eligible Senior Management will be participating in the Entitlement Offer.

The Entitlement Offer is fully underwritten by Morgans Corporate Limited.

¹ The theoretical ex-rights price of \$0.0366 is calculated using Mitchell Services' closing price on 12 September 2017 assuming proceeds from the Placement and Entitlement Offer of \$8.79 million. TERP is the theoretical price at which shares should trade immediately after the ex-date for the Entitlement Offer assuming 100% take-up of the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to the TERP.

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Key dates¹

Activity	Date
Trading halt	13 September 2017
Announcement of the Placement and Entitlement Offer	15 September 2017
Ex Date for Entitlement Offer	19 September 2017
Record Date for Entitlement Offer (7.00pm Brisbane time) Settlement of Shares issued under the Placement	20 September 2017
Allotment of Shares under Placement	21 September 2017
Information Booklet and Entitlement and Acceptance Form despatched and Entitlement Offer opens	25 September 2017
Closing date for acceptances under Entitlement Offer (5.00pm Brisbane time)	9 October 2017
Settlement of Shares issued under the Entitlement Offer	13 October 2017
Allotment of Shares under the Entitlement Offer	16 October 2017
Despatch of holding statements for Shares issued under the Entitlement Offer	17 October 2017
Normal ASX trading for Shares issued under the Entitlement Offer commences	17 October 2017

¹ All dates are indicative only and are subject to change. Mitchell Services reserves the right, subject to the Corporations Act, the ASX Listing Rules and other applicable laws, to vary the dates of the Entitlement Offer, including extending the Entitlement Offer or accepting late applications and to withdraw or vary the Entitlement Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the date for the issue of new Shares under the Entitlement Offer. All times above are to the time in Brisbane, Queensland.

More information

The Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders may take up all, part or none of their Entitlement, however shareholders who do not take up all or part of their Entitlements will not receive any value for those Entitlements that they do not take up. Shareholders who are not eligible to receive Entitlements will not receive any value for the Entitlements they would have received had they been eligible.

Mitchell Services will notify shareholders as to whether they are eligible to participate in the Entitlement Offer. Eligible shareholders will receive an information booklet including a personalised entitlement and acceptance form which will provide further details of how to participate in the Entitlement Offer.

Further information in relation to the Entitlement Offer, including the terms and conditions, will be outlined in the information booklet, expected to be lodged with the ASX and distributed to Eligible Shareholders on 25 September 2017.

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Further information in relation to the Equity Raising and the matters set out above, including important notices and key risks, are set out in the investor presentation lodged with ASX on 15 September 2017. The investor presentation is able to be downloaded from ASX's website, www.asx.com.au.

For more information, contact:

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Important information

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any other jurisdiction in which such an offer would be illegal. The securities referred to in this document have not been and will not be registered under the United States Securities Act of 1933 (the 'US Securities Act'), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States, unless the securities have been registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available.

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This announcement contains certain 'forward-looking statements' within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as 'may,' 'should,' 'expect,' 'anticipate,' 'estimate,' 'scheduled' or 'continue' or the negative version of them or comparable terminology. Any forecasts or other forward looking statements contained in this announcement are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. Mitchell Services does not give any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur and you are cautioned not to place undue reliance on forward-looking statements.

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