

25 September 2017

The Manager ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

ASX ANNOUNCEMENT

Mitchell Services Limited (ASX-MSV) Despatch of Notices to ineligible shareholders

Mitchell Services Limited (**Mitchell Services**) has despatched notices to ineligible shareholders in accordance with its timetable for the 1 for 8 non-renounceable entitlement offer to existing shareholders for fully paid ordinary shares in Mitchell Services announced on 15 September 2017.

Yours sincerely



Greg Switala
Company Secretary
Mitchell Services Limited

Mitchell Services Limited

ABN 31 149 206 333

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25 September 2017



Dear Shareholder

MITCHELL SERVICES LIMITED - NON-RENOUNCEABLE ENTITLEMENT OFFER

On 15 September 2017, Mitchell Services Limited (**MSV**) announced the successful completion of a placement of ordinary shares raising approximately \$2.52 million (the **Placement**) and the launch of a 1 for 8 non-renounceable entitlement offer (the **Entitlement Offer**, and together with the Placement, the **Capital Raising**) of new MSV shares (**New Shares**) at an offer price of \$0.034 per New Share (**Offer Price**). The Entitlement Offer will raise up to approximately \$6.27 million.

MSV will use the proceeds of the Capital Raising to prepare and mobilise unutilised rigs and associated equipment, procure consumables and recruit personnel to fulfil current and expected contract pipeline requirements and additional working capital.

Morgans Corporate Limited has been appointed by MSV as Lead Manager and Underwriter (the **Underwriter**) and has agreed to fully underwrite the Entitlement Offer. The underwriting of the Entitlement Offer means that a minimum amount of approximately \$6.27 million will be raised under the Entitlement Offer.

This letter is to inform you about the Entitlement Offer, and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. This letter is not an offer to issue entitlements or New Shares to you, nor an invitation for you to apply for entitlements or New Shares.

You are not required to do anything in response to this letter.

The Entitlement Offer

The Entitlement Offer comprises an offer to shareholders (as described below, **Eligible Shareholders**) to participate at the Offer Price and on the basis of an entitlement to subscribe for 1 New Share for every 8 existing MSV shares (**Entitlement Offer**) held on the Record Date of 7.00pm (Brisbane time) on 20 September 2017. The Entitlement Offer is being made in accordance with section 708AA of the *Corporations Act 2001* (Cth) (as modified by *ASIC Corporations (Non-traditional Rights Issues) Instrument 2016/84*) (the **Act**), meaning that no prospectus is required to be prepared in relation to the Entitlement Offer.

Eligible Shareholders can choose to take up all, part, or none of their entitlement. Eligible Shareholders may also apply for additional share allocations above their entitlement, subject to certain constraints, with the final decision on allocation of additional shares at the sole discretion of MSV and the Underwriter.

An offer booklet in relation to the Entitlement Offer (**Offer Booklet**) will be despatched to Eligible Shareholders on or around 25 September 2017. Further information in relation to the Entitlement Offer has been disclosed on the Australian Securities Exchange.

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Eligibility criteria

Eligible Shareholders are those persons who:

- are registered as a holder of existing MSV shares as at the Record Date, being 7.00pm (Brisbane time) on 20 September 2017;
- have a registered address on the MSV share register in Australia or New Zealand;
- are not in the United States and are not acting for the account or benefit of a person in the United States to the extent such persons hold MSV shares for the account or benefit of such persons in the United States; and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

Shareholders who are not Eligible Shareholders are **Ineligible Shareholders**.

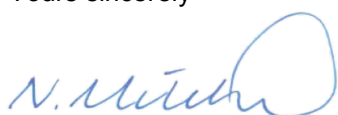
The restrictions upon eligibility to participate in the Entitlement Offer arise because of the legal and regulatory requirements in countries other than Australia and New Zealand and the potential costs to MSV of complying with these legal and regulatory requirements compared with the relatively small number of shareholders in those countries, the relatively small number of existing MSV shares they hold and the relatively low value of New Shares to which those shareholders would otherwise be entitled. MSV has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A(3) of the Act, that it would be unreasonable to make or extend offers to MSV shareholders in certain countries under the Entitlement Offer.

Unfortunately, according to our records, you do not satisfy the eligibility criteria for an Eligible Shareholder stated above. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3) of the Act, MSV wishes to advise you that it will not be extending the Entitlement Offer to you and you will not be able to subscribe for New Shares under the Entitlement Offer. You will not be sent the documents relating to the Entitlement Offer.

For further information on the Offer or if you believe that you are an Eligible Shareholder, you can call the MSV Offer Information Line 08 9389 8033 (within Australia) or +61 8 9389 8033 (outside Australia) from 8.30am to 6.00pm (Brisbane time) Monday to Friday. If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

On behalf of the Board of MSV, I thank you for your continued support.

Yours sincerely



Nathan Mitchell

Chairman

Mitchell Services Limited

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Important Information

This letter is issued by Mitchell Services Limited, ACN 149 206 333 (**MSV**). This letter is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in MSV in any jurisdiction. This letter does not constitute financial product advice and does not and will not form any part of any contract for the acquisition of MSV shares.

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. No action has been, or will be, taken to register, qualify or otherwise permit a public offering of the entitlements or the New Shares in any jurisdiction outside Australia or New Zealand. In particular, neither the entitlements nor the New Shares have been, nor will be, registered under the U.S. Securities Act of 1933 (the Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not, directly or indirectly, be taken up by, and the New Shares may not be offered or sold to, persons in the United States except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.