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ASX Announcement

**Hughes Drilling Limited and Australian controlled entities
(together, the "Hughes Drilling Group")**

(all subject to external administration as set out in "Annexure A")

9 December 2016

We refer to the appointment of Jason Preston, Shaun Fraser and Jamie Harris as Joint and Several Voluntary Administrators ("Administrators") of the Hughes Drilling Group on 22 September 2016 and to the previous updates provided in relation to the ongoing administration.

As previously advised, the Administrators have been working with a consortium of bidders who put forward a proposal to purchase the shares of both Hughes Drilling 1 Pty Limited ("HD1") and JSW Australia Pty Limited ("JSW") via a Deed of Company Arrangement ("DOCA").

Outcome of the second meetings of creditors

The second meetings of creditors of the Hughes Drilling Group were held on 8 December 2016. At these meetings, the creditors resolved that:

- Hughes Drilling 1 Pty Limited and JSW Australia Pty Limited enter into a Deed of Company Arrangement and that Jason Preston, Shaun Fraser and Jamie Harris be appointed as Joint and Several Deed Administrators of these entities;
- Hughes Drilling Limited enter into a Holding Deed of Company Arrangement and that Jason Preston, Shaun Fraser and Jamie Harris be appointed as Joint and Several Deed Administrators of this company; and
- the remaining entities of the Hughes Drilling Group (further detailed in the Annexure A attached) be wound up and that Jason Preston, Shaun Fraser and Jamie Harris be appointed as Joint and Several Liquidators of these entities.

Next steps

The relevant DOCA documentation has been executed and we anticipate completion of the DOCA for the HD1 and JSW businesses to occur shortly.

We will provide a further update on this in the coming days.

In the meantime, please contact any of the Administrators staff if you wish to discuss the above in further detail.

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Annexure A: Hughes Drilling Group – entities subject to external administration

Company name	ACN	External Administration
Hughes Drilling Ltd	124 279 750	Subject to deed of company arrangement
Hughes Drilling 1 Pty Ltd	011 007 702	Subject to deed of company arrangement
JSW Australia Pty Ltd	125 989 791	Subject to deed of company arrangement
Australia Gas Drilling Pty Ltd	139 242 890	In liquidation
EDMS Metals Pty Ltd	146 399 760	In liquidation
Every Day Mine Services Operations Pty Ltd	003 949 148	In liquidation
Express Hydraulics (Aust) Pty Ltd	155 845 864	In liquidation
G.O.S. Drilling Pty Ltd	068 520 794	In liquidation
HD JSW Pty Ltd	165 895 072	In liquidation
Hughes Drilling 2 Pty Ltd	146 399 902	In liquidation
Hughes Drilling Corporate Pty Ltd	146 398 718	In liquidation
Hughes Equipment Hire Pty Ltd	146 398 923	In liquidation
Hyd-Elec Australia Pty Ltd	151 316 611	In liquidation
Reichdrill Australia Pty Ltd	162 841 287	In liquidation