

ASX Release

16 December 2016

ASX: EHL ('EMECO' OR 'THE COMPANY')

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CREDITOR SUPPORT FOR RECAPITALISATION AND MERGER

On 14 December 2016, Emeco announced that its creditors had not approved the scheme of arrangement required to give effect to a recapitalisation of Emeco and the merger with Orionstone and Andy's. Following continued constructive discussions, the noteholders who voted against the creditors' scheme have now committed to support the transaction and have additionally agreed to sub-underwrite the remaining \$10 million of the \$20 million rights offer to be conducted as part of the transaction.

For Emeco shareholders and noteholders, the transaction metrics will be substantially the same as the previously proposed transaction. The company will proceed to work with all stakeholders to document the necessary arrangements to give effect to the transaction.

Ian Testrow, Emeco Managing Director, said: "Notwithstanding the outcome of yesterday's creditors' scheme meeting, it is very positive that all stakeholders, recognising the strategic rationale, industrial logic and value creation opportunity of the transaction, have continued to work collaboratively and constructively to support the recapitalisation of Emeco and the merger with Andy's and Orionstone."

Mr Testrow continued: "I am extremely proud of how our team has worked tirelessly to achieve this outcome. We strongly believe in the strategic merits of the transaction and thank all stakeholders for their continued patience and support."

Peter Richards, Emeco Chairman, said: "We are very pleased with the significant progress made over the previous 24 hours. In discussions led by our Managing Director, Ian Testrow, we have engaged proactively and constructively with the noteholders who did not support the creditors' scheme to obtain support for the transaction."

Mr Richards continued: "I would once again like to thank all of our stakeholders, including our shareholders, noteholders, customers and suppliers, for their ongoing patience and support for the transaction. I would also particularly like to extend thanks to Ian for his determined efforts in recent days in leading the engagement and discussions with each of our stakeholders."

Emeco's current creditors' scheme process is expected to be dismissed at a Federal Court of Australia hearing scheduled for this afternoon.

Emeco will provide further details on, and a timetable of, the transaction in due course.

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About Emeco

Established in 1972, Emeco is the world's largest, independent mining equipment rental business and currently services major resource projects across Australia, Canada, and Chile. Emeco pursues a best in class asset management strategy and operates a global fleet of equipment from a range of original equipment manufacturers to deliver the most effective equipment rental and maintenance solutions for its customers. Emeco is a publicly listed company on the Australian Securities Exchange (ASX:EHL).

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