

ASX ANNOUNCEMENT

9 November 2015

Update on Elph loan facility

In announcing its FY2015 results on 28 August 2015, Engenco Limited (ASX:EGN) (**Engenco** or **Company**) advised that the Company's debt facility with the Commonwealth Bank of Australia was due to expire on 31 October 2015 and that a new \$9 million funding facility had been agreed with the Company's major shareholder, Elph Pty Ltd (**Elph**) which, subject to the satisfaction of certain conditions precedent including the execution of formal loan documentation, would be available from 31 October 2015.

The loan documents have now been finalised and the facility will shortly be available for drawdown as soon as certain conditions precedent, usual in a transaction of this nature, are satisfied.

The new facility will provide a flexible funding arrangement for Engenco to draw upon for temporary working capital and other general corporate purposes and is expected to be repaid through the Company's operational net cash inflows to be generated during the facility term which expires not earlier than 31 October 2016.

As a consequence of Engenco and its subsidiaries (other than Greentrains Limited, Greentrains Leasing Pty Ltd, Drivetrain Sweden AB and Hedemora Investments AB) providing security in favour of Elph to support the funding arrangements, ASX has provided a Listing Rule 10.1 waiver in standard form. The waiver has the effect of permitting the arrangements to be secured, whilst clarifying that in the case of default, neither Elph nor its associates, have the ability to themselves acquire the assets of Engenco or those subsidiaries providing security, without first complying with relevant listing rule requirements which includes obtaining shareholder approval.

About Engenco Limited

Engenco (EGN) specialises in:

- Maintenance, repair and overhaul of heavy duty engines, powertrain, propulsion and gas compression systems
- Maintenance, repair and overhaul of locomotives
- Manufacture and maintenance of wagons, carriages and associated rail equipment
- Project management, training and workforce provisioning services
- Manufacture and supply of road transport and storage tankers for dry bulk products
- Leasing of locomotives, wagons and other rail equipment

Engenco services a diverse client base across the defence, resources, marine, power generation, rail, heavy industrial, mining and infrastructure sectors.

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