



Notice of extraordinary general meeting

Mitchell Services Limited ACN 149 206 333

Notice is given that an extraordinary general meeting of Mitchell Services Limited (**Company**) will be held at:

Location	McCullough Robertson Lawyers, Level 11, 66 Eagle Street, Brisbane QLD 4000
Date	Tuesday, 23 September 2014
Time	10.00 am (Brisbane time)

Special Business

Resolution 1 – Ratification and approval of previous allotment and issue of First Tranche Shares to Institutional Investors

To consider, and if in favour, pass the following resolution as an ordinary resolution:

‘That for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify and approve the previous allotment and issue of 43,500,001 Shares to Institutional Investors as detailed in the Explanatory Memorandum.’

Voting Exclusion

The Company will disregard any votes cast on this resolution by any person who participated in the issue of securities the subject of Resolution 1 described in the Explanatory Memorandum or any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 2 - Approval of allotment and issue of Second Tranche Shares to Institutional Investors

To consider, and if in favour, pass the following resolution as an ordinary resolution:

‘That for the purposes of ASX Listing Rule 7.1 and for all other purposes, shareholders approve the issue of 200,000,000 Shares to Institutional Investors as detailed in the Explanatory Memorandum.’

Voting Exclusion

The Company will disregard any votes cast on this resolution by:

- (a) any person who may participate in the issue of securities the subject of Resolution 2 described in the Explanatory Memorandum; and
- (b) any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, if the resolution is passed,

or any associates of a person referred to in (a) or (b) above.

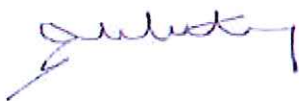
However, the Company will not disregard a vote if:

- (c) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

- (d) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Dated: 22 August 2014

By order of the Board



Bob Witty
Company secretary

Notes

- (a) A member who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.
- (b) The proxy need not be a member of the Company. A member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- (c) If you wish to appoint a proxy and are entitled to do so, then complete and return the **attached** proxy form.
- (d) A corporation may elect to appoint a representative in accordance with the *Corporations Act 2001* (Cth) in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.
- (e) The Company has determined under regulation 7.11.37 *Corporations Regulations 2001* (Cth) that for the purpose of voting at the meeting or adjourned meeting, Shares are taken to be held by those persons recorded in the Company's register of shareholders as at 7.00pm (Brisbane time) on Sunday, 21 September 2014.
- (f) If you have any queries on how to cast your votes then call the Company on 07 37227222 during business hours.



Explanatory memorandum

Mitchell Services Limited ACN 149 206 333

Resolutions 1 and 2 - Placement of Shares to Institutional Investors

- 1 The Company announced on 22 August 2014 that it will undertake a \$20.2 million equity raising through a placement to institutional investors that will raise \$1.5 million through a first tranche placement utilising Mitchell Services' existing placement capacity under the ASX Listing Rules, an intended second tranche placement to raise a further \$7 million subject to obtaining shareholder approval (collectively, the **Placement**) and a 1 for 1 pro rata non-renounceable entitlement offer of fully paid ordinary shares at an issue price of \$0.035 to raise approximately \$11.7 million (**Entitlement Offer**) (together, the **Equity Raising**).
- 2 The Placement will comprise an issue of ordinary shares (**Shares**) to sophisticated and professional investors (**Institutional Investors**) at an issue price of \$0.035 per Share and is being conducted in two tranches:
 - (a) an initial placement of 43,500,001 Shares (**First Tranche Shares**), that was due to complete on 28 August 2014 (**First Tranche**); and
 - (b) a subsequent placement of an additional 200,000,000 Shares (**Second Tranche Shares**), which are anticipated to be allotted on or about 26 September 2014 (**Second Tranche**) (subject to shareholder approval).
- 3 The issue price for the First Tranche Shares and the Second Tranche Shares is the same - \$0.035 per Share.
- 4 The proceeds raised as a result of the Placement, together with that under the Entitlement Offer, are to be used to fund the Company's acquisition of drilling rigs and other assets from the receivers of Tom Browne Drilling Services Pty Ltd (Receivers and Managers Appointed) (In Liquidation) ACN 003 022 455 in its own capacity and as trustee for the Tom Browne Family Trust (**Acquisition**) and also for working capital purposes and to retire some existing debt facilities.
- 5 The purchase price payable for the Acquisition is \$9.5 million (plus GST) and involves 29 rigs and ancillary equipment, with an obligation on the parties to use best endeavours to assign a drilling contract with a Tier 1 global mining company.
- 6 The purpose of resolution 1 is approve and ratify, under ASX Listing Rule 7.4 and for all other purposes, the issue of the First Tranche Shares. Shareholders should note that the First Tranche Shares will have been issued by the date of the meeting.
- 7 The purpose of resolution 2 is to approve, under ASX Listing Rule 7.1 and for all other purposes, the issue of the Second Tranche Shares. The Second Tranche Shares will not be issued without shareholder approval.

Resolution 1 - Ratification and approval of previous allotment and issue of First Tranche Shares to Institutional Investors

- 8 Resolution 1 seeks shareholder approval under ASX Listing Rule 7.4 (and for all other purposes) for the issue of the First Tranche Shares to Institutional Investors on or around 28 August 2014 at an issue price of \$0.035 per Share.
- 9 ASX Listing Rule 7.1 prevents the Company from issuing more than 15% of its issued capital without shareholder approval. The allotment and issue of the First Tranche Shares does not exceed the 15% threshold. Listing Rule 7.4 provides that where a company subsequently approves an issue of securities, the issue will be treated as having been made with approval for the purpose of Listing Rule 7.1, thereby replenishing that company's 15% capacity, enabling it to issue further securities up to that limit.

- 10 Resolution 1 proposes the ratification and approval of the allotment and issue of the First Tranche Securities for the purpose of satisfying the requirements of ASX Listing Rule 7.4. Details of the issue are set out below.

First Tranche Shares	
Issue date	28 August 2014
Number of securities	43,500,001 fully paid ordinary shares
Issue price	\$0.035 per Share
Terms of issue	The Shares rank equally with all existing Shares on issue
Allottees	The Shares were issued through a private placement to Institutional Investors
Use of funds raised	Proceeds of the issue will be used to partly fund the Company's acquisition of drilling rigs and other assets from the receivers of Tom Browne Drilling Services Pty Ltd and also for working capital purposes and to retire existing debt facilities.

- 11 If resolution 1 is not approved, the Company's ability to raise additional equity funds over the next 12 months without reference to shareholders will be restricted.
- 12 The Directors unanimously recommend you vote in favour of this resolution.

Resolution 2 - Approval of allotment and issue of Second Tranche Shares to Institutional Investors

- 13 Resolution 2 seeks shareholder approval under ASX Listing Rule 7.1 (and for all other purposes) for the issue of the Second Tranche Shares to Institutional Investors, which are expected to be allotted on 26 September 2014 at an issue price of \$0.035 per Share.
- 14 As outlined in paragraph 9 above, ASX Listing Rule 7.1 prevents the Company from issuing more than 15% of its issued capital without shareholder approval. The allotment and issue of the Second Tranche Shares (if made without shareholder approval) would exceed the 15% threshold. Resolution 2 therefore proposes the approval of the allotment and issue of the Second Tranche Shares for the purpose of satisfying the requirements of ASX Listing Rule 7.1.
- 15 The Company has agreed to issue the Second Tranche Shares conditional on the necessary approvals being obtained from shareholders. If resolution 2 is not passed, the Second Tranche Shares will not be issued. In this case, it is unlikely the Acquisition will proceed and the funds otherwise raised from the Equity Raising would instead be used for working capital purposes and to reduce debt levels.
- 16 The underwriter of the Entitlement Offer, Morgans Corporate Limited, can also exercise a right to terminate the underwriting agreement for the Entitlement Offer if resolution 2 is not passed. If this happens, the Company may raise materially less under the Entitlement Offer.
- 17 Further details regarding the proposed issue of the Second Tranche Shares are set out below.

Second Tranche Shares	
Maximum number of securities to be issued	200,000,000 fully paid ordinary shares
Date of issue	Expected to be 26 September 2014 but, in any event, no later than three months after the date of the meeting
Issue price	\$0.035 per Share
Terms of issue	The Shares will rank equally with all existing Shares on issue
Allottees	The Shares will be issued through a private placement to Institutional Investors
Intended use of funds raised	Proceeds of the issue will be used to fund the Company's acquisition of drilling rigs and other assets from the receivers of Tom Browne Drilling Services Pty Ltd and also for working capital purposes and to retire existing debt facilities.

- 18 The Directors unanimously recommend you vote in favour of this resolution.



Mitchell
SERVICES

ACN 149 206 333

Lodge your vote:



By Mail:

Advanced Share Registry Limited
PO Box 1156
Nedlands WA 6909

Alternatively you can fax your form to
(Within Australia) (08) 9262 3723
(Outside Australia) +618 9262 3723

For all enquiries call:

Telephone:
(Within Australia) (08) 9389 8033
(Outside Australia) +618 9389 8033
Email: admin@advancedshare.com.au

Proxy Form

Instructions

1. Every shareholder has the right to appoint some other person or company of their choice, who need not be a shareholder, to attend and act on their behalf at the meeting. If you wish to appoint a person or company other than the Chairman, please insert the name of your proxyholder(s) in the space provided (see reverse).
2. If the securities are registered in the name of more than one owner (for example, joint ownership, trustees, executors, etc), then all those registered should sign this proxy. If you are voting on behalf of a corporation or another individual you may be required to provide documentation evidencing your power to sign this proxy with signing capacity stated.
3. This proxy should be signed in the exact manner as the name that appears on the proxy.
4. If a shareholder appoints two proxies, each proxy may be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.
5. Completion of a proxy form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
6. To be effective, proxies must be delivered by shareholders as follows:
7. Shareholders must deliver their proxies prior to 21 September 2014 at 10.00am AEST by mail to PO Box 1156, Nedlands, 6909, Western Australia or by facsimile at (08) 9262 3723 or deliver to the Share Registry of the Company at 110 Stirling Hwy, Nedlands, Western Australia, 6009.
8. For the purposes of Regulation 7.11.37 of the Corporations Regulations the Company determines that shareholders holding shares at 7.00pm (AEST) on 21 September 2014 will be entitled to attend and vote at the Meeting.
9. The Chairman intends to vote in favour of all resolutions set out in the Notice of Meeting.
10. This proxy confers discretionary authority in respect of amendments to matters identified in the Notice of Meeting or other matters that may properly come before the Meeting.
11. This proxy should be read in conjunction with the accompanying documentation provided by management of the Company.
12. The shares represented by this proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any poll that may be called for, and if the shareholder has specified a choice in respect of any matter to be acted upon, the shares will be voted accordingly.

Turn over to complete the form →



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www.advancedshare.com.au

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- Update your holding details
- Reprint various documents online



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☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left.
Securityholders

Form of Proxy

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

PLEASE NOTE: This proxy is solicited on behalf of the management of Mitchell Services Limited ACN 149 206 333 (the "Company") for use at the meeting of the shareholders of the Company to be held at McCullough Robertson Lawyers, Level 11, 66 Eagle Street, Brisbane QLD 4000 on 23 September 2014 at 10.00am AEST or any adjournment thereof (the "Meeting").

I/We being a member/s of Mitchell Services Limited hereby appoint

the Chairman
of the meeting

OR

PLEASE NOTE: If you leave the section blank, the Chairman of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions at the Meeting and at any adjournment of that meeting.

If you have not appointed the Chairman of the Meeting as your proxy and you are appointing a second proxy please complete the following: Proxy 1 is appointed to represent _____% of my voting right and Proxy 2 is appointed to represent _____% of my total votes. My total voting right is _____ shares.

PLEASE NOTE: If the appointment does not specify the proportion or number of votes that the proxy may exercise, each proxy may exercise half the votes.

With respect to any amendment or variations to the matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting, I/we confer discretionary authority on the person voting on behalf of me/us to vote as that person sees fit. At the time of printing this Form of Proxy, management knows of no such amendment, variation or other matter.

STEP 2 Items of Business

PLEASE NOTE: If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and your votes will not be counted in computing the required majority on that item.

If you wish to indicate how your proxy is to vote, please mark the appropriate places below.

FOR AGAINST ABSTAIN

Resolution 1 – Ratification and approval of previous allotment and issue of First Tranche Shares to Institutional Investors

☐
☐
☐

Resolution 2 – Approval of allotment and issue of Second Tranche Shares to Institutional Investors

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SIGN Signing by member

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Member 1

Sole Director and Sole
Secretary

Member 2 (if joint holding)

Director/Company
Secretary

Member 3 (if joint holding)

Director

/ /

Date