

9 June 2015

MITCHELL SERVICES LIMITED
(ASX:MSV)

ASX Announcement

Entitlement Offer cleansing notice under section 708AA(2)(f) Corporations Act – Mitchell Services Limited (ASX Code: MSV)

Mitchell Services Limited (**Mitchell Services**) today announced that it will undertake a \$8.67 million equity raising through a 4 for 7 pro rata non-renounceable entitlement offer of fully paid ordinary shares at an issue price of \$0.0175 (**New Shares**) (**Entitlement Offer**).

The Entitlement Offer is fully underwritten by Morgans Corporate Limited (**Underwriter**).

The offer price for the Entitlement Offer will be \$0.0175 per share (**Offer Price**).

Under the Entitlement Offer, eligible shareholders will be able to subscribe for 4 new ordinary shares in Mitchell Services for every existing 7 shares held at 7.00pm (AEST) on 15 June 2015 (**Record Date**) at the Offer Price (**Entitlements**).

Mitchell Services will offer the New Shares for issue without disclosure to investors under section 708AA(2)(f) *Corporations Act 2001* (Cth) (**Corporations Act**) as notionally modified by ASIC Class Order 08/35 (**CO 08/35**).

Further details of the Entitlement Offer are set out in the Investor Presentation and Information Booklet that were lodged with ASX on 9 June 2015 and will be dispatched to eligible shareholders on or about 16 June 2015.

Details of the securities issued

Class of securities:	Ordinary shares
ASX Code of the securities:	MSV
Date of the issue or expected issue of the securities:	2 July 2015
Total number of securities expected to be issued (subject to the rounding up of fractional Entitlements):	495,428,699 New Shares

For the purposes of section 708AA(7) Corporations Act, Mitchell Services advises:

- 1 the New Shares will be issued without disclosure under part 6D.2 Corporations Act as notionally modified by CO 08/35;
- 2 this notice is given under section 708AA(2)(f) Corporations Act as notionally modified by CO 08/35;

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- 3 as at the date of this notice, Mitchell Services has complied with:
- (a) the provisions of chapter 2M Corporations Act as they apply to Mitchell Services; and
 - (b) section 674 Corporations Act;
- 4 as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) Corporations Act as notionally modified by CO 08/35;
- 5 The issue of New Shares pursuant to the Entitlement Offer is not expected to have any material effect or consequence on the control of Mitchell Services, but is dependent on a number of factors including investor demand. However, given the structure of the Entitlement Offer as a pro rata offer, the potential effect that the issue of the New Shares will have on the control of Mitchell Services is as follows:
- (a) if all eligible shareholders take up their Entitlement for New Shares under the Entitlement Offer, the Entitlement Offer will have no effect on the control of Mitchell Services;
 - (b) to the extent that any eligible shareholder fails to take up their Entitlement for New Shares under the Entitlement Offer, that eligible shareholder's percentage holding in Mitchell Services will be further diluted by those other eligible shareholders who take up some, all or more than their Entitlement;
 - (c) Mitchell Services' major shareholder, Mitchell Group Holdings Pty Ltd as trustee for the Andala Trust and its associates (**Mitchell Group**) has committed to taking up its full Entitlement for New Shares under the Entitlement Offer. Mitchell Group's voting power will therefore remain at 19.98% as a result of the offer; and
 - (d) the Underwriter has underwritten the Entitlement Offer and has entered into various sub-underwriting arrangements for the Entitlement Offer. Therefore, although the issue of New Shares which are not taken up by eligible shareholders under the Entitlement Offer may increase the voting power of the Underwriters (or investors who have entered into sub-underwriting arrangements with the Underwriter), it is not expected to have any material effect on the control of Mitchell Services, even where a substantial shortfall eventuates under the Entitlement Offer.

Signed for and on behalf of Mitchell Services:



Greg Switala
Company Secretary
Mitchell Services Limited

Mitchell Services Limited

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