

11 June 2015

The Manager  
Market Announcements Office  
ASX Limited  
Level 4, 20 Bridge Street  
Sydney NSW 200

## **ASX ANNOUNCEMENT**

### **Mitchell Services Limited (ASX:MSV) Despatch of notices to shareholders and option holders**

Mitchell Services Limited (**Mitchell Services**) has despatched notices to shareholders and option holders in accordance with its timetable for the 4 for 7 non-renounceable entitlement offer to existing shareholders for fully paid ordinary shares in Mitchell Services announced on 9 June 2015 (**Entitlement Offer**).

The 'ex' entitlement date is 12 June 2015 and the record date for determining entitlements is 16 June 2015.

The company expects new shares issued under the Entitlement Offer will commence normal trading on ASX on 6 July 2015.

Yours faithfully



Greg Switala  
Company Secretary  
Mitchell Services Limited

**Mitchell Services Limited**  
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11 June 2015

Dear Shareholder

### **Mitchell Services Entitlement Offer – notice to shareholders**

On 9 June 2015, Mitchell Services Limited (**Mitchell Services**) announced a \$8.42 million 4 for 7 non-renounceable entitlement offer to existing shareholders of fully paid ordinary shares in Mitchell Services (**New Shares**) (**Entitlement Offer**).

The purpose of the Entitlement Offer is to partially fund the acquisition of the assets of Nitro Drilling Pty Limited ACN 100 536 561 (Receivers & Managers Appointed) (In liquidation). The remainder of the purchase price is to be funded by way of debt facilities provided by major shareholders, Mitchell Group and Washington H. Soul Pattinson & Company.

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

### **Summary of key terms of the Entitlement Offer**

Under the Entitlement Offer, Eligible Shareholders (defined below) will be invited to subscribe for 4 New Shares for every 7 existing Mitchell Services ordinary shares held at 7.00 pm (AEST) on Tuesday, 16 June 2014 (**Record Date**) at an offer price of \$0.017 per New Share (**Entitlement**). An information booklet was also lodged with ASX on 9 June 2015 which contains important information about the Entitlement Offer. All Eligible Shareholders will be sent an information booklet and personalised entitlement and acceptance form on or around 17 June 2015.

Eligible Shareholders who take up their full Entitlement, may subscribe for additional New Shares from a pool of those not taken up by Eligible Shareholders as at the closing date of the Entitlement Offer (**Top Up Facility**). There is no guarantee that applicants under the Top Up Facility will receive the number of New Shares applied for under the Top Up Facility, or any. The Directors reserve the right to allot and issue New Shares under the Top Up Facility at their discretion.

The Entitlement Offer is non-renounceable. Accordingly, Entitlements do not trade on the ASX, nor can they be transferred or otherwise disposed of.

### **Key dates**

Mitchell Services expects the Entitlement Offer to be conducted according to the following timetable.

Activity	Date
Trading halt	4 June 2015
Announcement of the Entitlement Offer	9 June 2015
Record Date for Entitlement Offer (7.00pm AEST)	16 June 2015
Information Booklet and Entitlement and Acceptance Form despatched	17 June 2015

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Activity	Date
Entitlement Offer opens	17 June 2015
Closing date for acceptances under Entitlement Offer (5.00pm AEST)	26 June 2015
Allotment of New Shares under the Entitlement Offer	3 July 2015
Despatch of holding statements for New Shares issued under the Entitlement Offer	3 July 2015
Normal ASX trading for New Shares issued under the Entitlement Offer commences	6 July 2015

This Timetable is indicative only and subject to change. The Directors may vary these dates, in consultation with the Underwriters, subject to the Listing Rules. An extension of the closing date will delay the anticipated date for issue of the New Shares.

The Directors also reserve the right not to proceed with the whole or part of the Entitlement Offer any time before the allotment and issue of the New Shares. In that event, the relevant application monies (without interest) will be returned in full to applicants.

## Capital structure

The shares issued under the Entitlement Offer will be fully paid ordinary shares and rank equally with existing Mitchell Services shares.

Subject to the rounding up of fractional Entitlements, the capital structure of Mitchell Services following the issue of New Shares is expected to be as follows:

Existing Shares on issue as at the date of this Information Booklet	867,000,222
New Shares issued under the Entitlement Offer	495,428,699
Total number of Shares after completion of the Entitlement Offer	1,362,428,921

The above figures assume that no existing options over Mitchell Services Shares will be exercised prior to the Record Date. If that is the case, the existing options at the Record Date will comprise:

- 12,499,900 quoted options with an exercise price of \$0.30 per option, exercisable at any time between 2 August 2013 and 2 August 2016;
- 500,000 unquoted management options with an exercise price of \$0.30 per option, exercisable at any time between 2 August 2014 and 2 August 2016; and
- 98,700,000 unquoted performance based options, with EBITDA and share price vesting conditions.

## Eligibility of shareholders to participate in the Entitlement Offer

The Entitlement Offer is only available to Eligible Shareholders. An **Eligible Shareholder** means a holder of Mitchell Services Shares at 7.00pm (AEST) on the Record Date who:

- has a registered address in Australia or New Zealand or is a Shareholder that Mitchell Services has otherwise determined is eligible to participate;
- is not in the United States and is not a nominee, custodian or other person acting for the account or benefit of a person in the United States; and

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- is eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus to be lodged or registered.

Eligible Shareholders will receive an information booklet and personalised entitlement and application form.

### Ineligible Shareholders

If you are not an Eligible Shareholder you cannot participate in the Entitlement Offer. As the Entitlement Offer is non-renounceable, shareholders who are not Eligible Shareholders will not receive any payment or value for the Entitlements that would have been offered to them if they were eligible.

Mitchell Services will notify those shareholders who are not Eligible Shareholders.

### Fees

A handling fee of 1.5% of the application amount (plus GST) of New Shares (subject to a maximum handling fee of \$250) (**Broker Handling Fee**) under the Entitlement Offer will be paid by the Underwriter to stockbrokers (being those entities being recognised as full service brokers or non-advisory brokers by ASX) who submit a valid claim for a Broker Handling Fee on successful applications.

The Underwriter is also entitled to receive the following fees in connection with the Entitlement Offer:

4 an underwriting fee of 3.5% (plus GST); and

5 a management fee of 1.5% (plus GST),

of the proceeds of the Entitlement Offer.

### Further information

If you have any queries, please call 08 9389 8033 (inside Australia) or +61 8 9389 8033 (outside Australia) between 8.30am and 5.00pm (AEST) Monday to Friday during the offer period or, alternatively, consult your professional adviser.

On behalf of the Directors, I thank you for your continued support of Mitchell Services.

Yours sincerely



Nathan Mitchell  
Executive Chairman  
Mitchell Services Limited

### Important information

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia or New Zealand. In particular, the New Shares have been, and will not be, registered under the United States Securities Act of 1933 (the 'US Securities Act') or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements in the Entitlement Offer may only be taken up by, and the New Shares in the Entitlement Offer may only be offered or sold to, directly or indirectly, certain persons outside the United States in 'offshore transactions' (as defined in Rule 902(h) of Regulation S under the US Securities Act) in reliance on Regulation S under the US Securities Act.

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9 June 2015

Dear Option Holder

**Mitchell Services Entitlement Offer – notice to option holders**

Mitchell Services Limited (**Mitchell Services**) today announced that it intends to raise approximately \$8.42 million through a non-renounceable 4 for 7 entitlement offer to existing shareholders of fully paid ordinary shares in Mitchell Services (**Entitlement Offer**).

The purpose of the Entitlement Offer is to partially fund the acquisition of the assets of Nitro Drilling Pty Limited (Receivers & Managers Appointed) (In liquidation) ACN 100 536 561.

The Entitlement Offer entitles eligible shareholders to subscribe for 4 new shares for every 7 existing Mitchell Services ordinary shares (**New Shares**) held at 7.00 pm (AEST) on Tuesday, 16 June 2015 (**Record Date**) at an offer price of \$0.017 per new share (**Entitlement**).

**Your options do not entitle you to participate in the Entitlement Offer.**

The purpose of this letter is to give you notice before the Record Date that you may exercise your options if you wish to participate in the Entitlement Offer, subject to any vesting conditions attaching to the options. Accordingly, if you wish for some or all of the shares underlying your options to be counted as part of your Entitlement under the Entitlement Offer, you will need to exercise that portion of your vested and exercisable options for which you wish to participate and pay the current exercise price for them so that those shares are issued to you before the Record Date. Please contact our share registry if you wish to exercise your options.

The share registry contact details are:

**By delivery** (not to be used if mailing)

Advanced Share Registry Ltd  
110 Stirling Highway  
NEDLANDS WA 6909

**By post**

Advanced Share Registry Ltd  
PO Box 1156  
NEDLANDS WA 6909

If you choose to participate in the Entitlement Offer by exercising some or all of your options before the Record Date, you will be sent an information booklet and personalised Entitlement and Acceptance Form containing important information about the Entitlement Offer.

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If you do not wish to participate in the Entitlement Offer (in respect of your options) you do not need to take any action.

In that case, you should be aware that:

- 1 if you hold quoted options (being those attaching options with an exercise price of \$0.30 issued to shareholders at the time of the listing on ASX of Mitchell Services Limited (or Drill Torque Limited as it then was)), which are quoted under the ticker code 'MSVO', there will be no changes to your options as a result of the Entitlement Offer; and
- 2 if you hold unquoted management options or performance based options, the exercise price of the options which you do not exercise will be reduced in accordance with the Listing Rules and as contemplated by the terms of those options to reflect the impact of the Entitlement Offer. Mitchell Services will advise you of the reduced option exercise price following the close of the Entitlement Offer.

Before deciding whether to exercise all or any of your options, you should consider the terms of the Entitlement Offer carefully and consult with your professional adviser if necessary.

Should you have any queries about this matter, please do not hesitate to contact Advanced Share Registry Services on 08 9389 8033 (within Australia) or +61 8 9389 8033 (outside Australia) at any time from 8.30 am to 5.00 pm (AEST) Monday to Friday.

Yours sincerely



**Nathan Mitchell**  
Executive Chairman  
Mitchell Services Limited

#### **Important information**

This letter does not constitute an offer to sell or the solicitation of an offer to buy, any securities in the United States. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia or New Zealand. In particular, the new shares under the Entitlement Offer have not been, and will not be, registered under the US Securities Act of 1933 (US Securities Act) or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States or by persons (including nominees or custodians) who are acting for the account or benefit of a person in the United States and the New Shares may not be offered, sold or resold, directly or indirectly, in the United States or to, or for the account or benefit of, a person in the United States, except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any applicable securities laws of any state or other jurisdiction of the United States.