

17 June 2015

The Manager
Market Announcements Office
ASX Limited
Level 4, 20 Bridge Street
Sydney NSW 2000

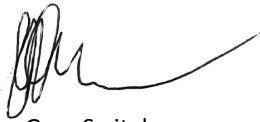
ASX ANNOUNCEMENT

**Mitchell Services Limited (ASX-MSV)
Despatch of Entitlement Offer information booklet and acceptance form**

Mitchell Services Limited has despatched the entitlement offer information booklet and acceptance form to all eligible shareholders in accordance with its timetable for the 4 for 7 non-renounceable entitlement offer announced on 9 June 2015 (**Entitlement Offer**). A copy of the information booklet and acceptance form is attached.

The closing date for acceptance under the Entitlement Offer is 5.00pm (AEST) on 26 June 2015.

Yours faithfully



Greg Switala
Company Secretary
Mitchell Services Limited



MITCHELL SERVICES LIMITED

ACN 149 206 333

Entitlement Offer information booklet

4 for 7 pro rata non-renounceable entitlement offer at \$0.017 per Share.

Fully underwritten by Morgans Corporate Limited ABN 32 010 539 607.

Last date for acceptance and payment: 5.00pm (AEST) on 26 June 2015

If you are an Eligible Shareholder, this is an important document that requires your immediate attention. It should be read in its entirety. If, after reading this document you have any questions about the securities being offered for issue under it or any other matter, you should contact your stockbroker, solicitor, accountant or other professional adviser.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Lead Manager and Underwriter



Legal adviser



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IMPORTANT NOTICES

This Information Booklet is dated 9 June 2015. Capitalised terms in this section have the meaning given to them in this Information Booklet.

The Entitlement Offer is being made without a prospectus under section 708AA Corporations Act (as notionally modified by ASIC Class Order 08/35). This Information Booklet does not contain all of the information which a prospective investor may require to make an informed investment decision. The information in this Information Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Information Booklet is important and should be read in its entirety before deciding to participate in the Entitlement Offer. This Information Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC.

Mitchell Services may make additional announcements after the date of this Information Booklet and throughout the period that the Entitlement Offer is open that may be relevant to your consideration about whether you should participate in the Entitlement Offer.

No party other than Mitchell Services has authorised or caused the issue of this Information Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information Booklet.

By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares or Top Up Shares through BPAY in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Information Booklet and you have acted in accordance with and agree to the terms of the Entitlement Offer detailed in this Information Booklet.

No overseas offering

This Information Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make that offer or invitation. In particular, this Information Booklet does not constitute an offer to Ineligible Shareholders and may not be distributed in the United States and the New Shares may not be offered or sold, directly or indirectly, to persons in the United States.

This Information Booklet is not to be distributed in, and no offer of New Shares or Top Up Shares is to be made in countries other than Australia and New Zealand. The distribution of this Information Booklet (including an electronic copy) in other jurisdictions may be restricted by law and therefore persons who come into possession of this Information Booklet should seek advice on and observe these restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction outside Australia and New Zealand.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New Shares is subject to all requisite authorities and clearances being obtained for Mitchell Services to lawfully receive your Application Monies.

New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing Mitchell Services shareholders with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This document has not been registered, filed with or approved by a New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Definitions, currency and time

Defined terms used in this Information Booklet are contained in section 4. All references to currency are to Australian dollars and all references to time are to Australian Eastern Standard Time (**AEST**), unless otherwise indicated.

Taxation

There will be tax implications associated with participating in the Entitlement Offer and receiving New Shares. Mitchell Services considers that it is not appropriate to give advice regarding the tax consequences of subscribing for New Shares or the subsequent disposal of any New Shares. Mitchell Services recommends that you consult your professional tax adviser in connection with the Entitlement Offer.

Privacy

Mitchell Services collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's shareholding in Mitchell Services.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to Mitchell Services (directly or through the Share Registry). Mitchell Services collects, holds and will use that information to assess your Application. Mitchell Services collects your personal information to process and administer your shareholding in Mitchell Services and to provide related services to you. Mitchell Services may disclose your personal information for purposes related to your shareholding in Mitchell Services, including to the Share Registry, Mitchell Services' related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that Mitchell Services holds about you. To make a request for access to your personal information held by (or on behalf of) Mitchell Services, please contact Mitchell Services through the Share Registry.

Governing law

This Information Booklet, the Entitlement Offer and the contracts formed on acceptance of the Applications are governed by the law applicable in Queensland, Australia. Each Applicant submits to the exclusive jurisdiction of the courts of Queensland, Australia.

No representations

No person is authorised to give any information or to make any representation in connection with the Entitlement Offer which is not contained in this Information Booklet. Any information or representation in connection with the Entitlement Offer not contained in the Information Booklet may not be relied upon as having been authorised by Mitchell Services or any of its officers.

Past performance

Investors should note that Mitchell Services' past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) Mitchell Services' future performance including Mitchell Services' future financial position or share price performance.

Future performance

This Information Booklet contains certain forward-looking statements with respect to the financial condition, results of operations, projects and business of Mitchell Services and certain plans and objectives of the management of Mitchell Services. These forward-looking statements involve known and unknown risks, uncertainties and other factors which are subject to change without notice, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. Neither Mitchell Services, nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. In particular, those forward-looking statements are subject to significant uncertainties and contingencies, many of which are outside the control of Mitchell Services. A number of important factors could cause actual results or performance to differ materially from the forward looking statements. Investors should consider the forward looking statements contained in this Information Booklet in light of those disclosures.

Risks

Refer to the 'Risk factors' section of the Investor Presentation included in section 2 of this Information Booklet for a summary of general and specific risk factors that may affect Mitchell Services.

Chairman's letter

9 June 2015

Dear Shareholder

I am pleased to write to you, as a valued shareholder of Mitchell Services Limited (**Mitchell Services**), and offer you the opportunity to participate in Mitchell Services' recently announced 4 for 7 fully underwritten non-renounceable entitlement issue of new ordinary shares in Mitchell Services (**New Shares**) at an issue price of \$0.017 per New Share to raise approximately \$8.42 million (**Entitlement Offer**).

The proceeds of the Entitlement Offer will be applied towards partial funding of the acquisition of assets from the receivers of Nitro Drilling Pty Limited (Receivers and Managers appointed) (In Liquidation) (**Nitro Drilling**) (**Acquisition**). The total purchase price for the Acquisition is \$16.1 million, and the remainder of the Acquisition costs will be funded by way of debt financing in the amount of approximately \$8.5 million provided by major shareholders Mitchell Group and Washington H. Soul Pattinson & Company Limited (further information about the debt financing is set out in section 1.1 of this Information Booklet). The proposed Acquisition and the benefits that are expected to flow from this initiative for Mitchell Services and its shareholders are described in Mitchell Services' investor presentation lodged with ASX Limited on 9 June 2015 (and included in this Information Booklet in section 2). Shareholders should also consider the key risks set out in that investor presentation before making a decision to participate in the Entitlement Offer.

Under the Entitlement Offer, Eligible Shareholders have the opportunity to invest at the price of \$0.017 per New Share. The number of New Shares you are entitled to subscribe for under the Entitlement Offer (**Entitlement**) is set out in your personalised Entitlement and Acceptance Form that is enclosed with this Information Booklet.

If you take up your Entitlement, you can also apply for additional shares under a 'top-up' facility (refer to section 3 of this Information Booklet for more information).

The issue price of \$0.017 per New Share represents a 32% discount to the last traded price of Mitchell Services shares before the Entitlement Offer was announced (being \$0.025 on 3 June 2015) and a 23.08% discount to the Theoretical Ex-Rights Price (**TERP**).¹

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

Mitchell Services' major shareholder, Mitchell Group, which is controlled by me and has a current shareholding of approx. 19.98% has committed to taking up its full Entitlement under the Entitlement Offer.

The Entitlement Offer is non-renounceable and therefore your Entitlements will not be tradeable on the ASX or otherwise transferable.

¹ The Theoretical Ex-Rights Price (**TERP**) of \$0.0221 is the theoretical price at which Mitchell Services shares should trade immediately following the ex-date for the Entitlement Offer assuming 100% take up of the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Mitchell Services' shares trade immediately following the ex-date for the Entitlement Offer will depend on many factors and may not approximate TERP.

Other information

This Information Booklet contains important information, including:

- the investor presentation referred to above and the announcement of the Entitlement Offer, which were released to ASX on 9 June 2015, and provides information on Mitchell Services, the Entitlement Offer and key risks for you to consider;
- instructions on how to apply, detailing how to participate in the Entitlement Offer if you choose to do so, and a timetable of key dates; and
- instructions on how to take up all or part of your Entitlement via BPAY.

A personalised Entitlement and Acceptance Form which details your Entitlement, to be completed in accordance with the instructions contained therein, accompanies this Information Booklet.

The Entitlement Offer closes at 5.00pm AEST on Friday, 26 June 2015

Please read in full the details on how to submit your application, which are set out in this Information Booklet. For further information regarding the Entitlement Offer, please call 08 9389 8033 (inside Australia) or +61 8 9262 3723 (outside Australia) between 8.30am and 5.00pm (AEST) during the offer period.

You should also consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Entitlement Offer.

On behalf of the Board of Mitchell Services, I encourage you to consider this investment opportunity and thank you for your ongoing support.

Yours sincerely



Nathan Mitchell
Executive Chairman

Summary of the Entitlement Offer

Entitlement Offer	
Ratio	4 New Shares for every 7 Existing Shares
Issue Price	\$0.017 per New Share
Size	Approximately 495.4 million New Shares (subject to rounding up of fractional Entitlements)
Gross proceeds	\$8.42 million

Key dates

Activity	Date
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
Entitlement Offer opens	17 June 2015
Closing date for acceptances under Entitlement Offer (5.00pm AEST)	26 June 2015
New Shares quoted on a deferred settlement basis	29 June 2015
Announcement of results of Entitlement Offer and under-subscriptions	30 June 2015
Settlement of New Shares under the Entitlement Offer	2 July 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

Notes: All times are in Australian Eastern Standard Time (AEST).

This timetable is indicative only and subject to change. The Directors may vary these dates, in consultation with the Underwriter, 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.

Enquiries

For further, information, telephone 08 9389 8033 (inside Australia) and +61 8 9389 8033 (outside Australia) between 8.30am and 5.00pm (AEST). Alternatively, contact your stockbroker, solicitor, accountant or other professional adviser. If you have lost your Entitlement and Acceptance Form and would like a replacement form, you should contact the Share Registry on the number set out above.

1 Description and effect of the Entitlement Offer

1.1 Overview

The Entitlement Offer is a non-renounceable offer of approximately 495.4 million New Shares at \$0.017 per New Share to raise about \$8.42 million (before direct offer costs including fees paid to the Underwriter and advisers and to providers of specific services to cover share registry, printing and postage costs).

The proceeds of the Entitlement Offer will partially fund the Acquisition, with the remainder of the Acquisition costs (approximately \$8.5 million) to be funded by way of secured debt facilities provided by major shareholders, Mitchell Group and Washington H. Soul Pattinson & Company Limited.

It is proposed that the debt facilities provided by Mitchell Group and Washington H. Soul Pattinson & Company Limited will be secured by a charge over the Nitro Drilling assets. It is also intended that interest on the loans for the first two years of the five year term will be paid by the issue to the lenders of further Shares (with Year 1 interest paid in Shares with an issue price of \$0.017, and Year 2 interest paid in Shares with an issue price equal to the volume weighted average price for the 30 trading days prior to the issue of the Shares). Given that Mitchell Group is a related party of Mitchell Services, the security arrangements for the Mitchell Group loan and the issue of Shares to satisfy interest payments on that loan are subject to Shareholder approval.

1.2 Entitlement Offer

The Entitlement Offer constitutes an offer to Eligible Shareholders only. The Entitlement Offer will raise approximately \$8.42 million. Eligible Shareholders who are on Mitchell Services' share register on the Record Date are entitled to acquire 4 New Shares for every 7 Existing Shares held on the Record Date (**Entitlement**).

Fractional Entitlements will be rounded up to the nearest whole number of New Shares.

The issue price of \$0.017 per New Share represents a discount of 32% to the last traded price of Mitchell Services' shares before the Entitlement Offer was announced being \$0.025 on 3 June 2015 and a discount of 23.08% to the TERP.

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

An Entitlement and Acceptance Form setting out your Entitlement accompanies this Information Booklet. Eligible Shareholders may subscribe for all or part of their Entitlement.

Eligible Shareholders who do not take up all of their Entitlements will have their percentage shareholding in Mitchell Services diluted.

Eligible Shareholders should be aware that an investment in Mitchell Services involves risks. The key risks identified by Mitchell Services are summarised in the Investor Presentation set out in section 2 of this Information Booklet.

1.3 Issue of additional Shares under the Top Up Facility

Any New Shares not taken up by the Closing Date may be made available to those Eligible Shareholders who took up their full Entitlement and applied for additional New Shares under the Top Up Facility.

There is no guarantee that those Shareholders will receive the number of New Shares applied for under the Top Up Facility, or any. The number of New Shares available under the Top Up Facility will not exceed the shortfall from the Entitlement Offer. The Directors reserve the right to allot and issue New Shares under the Top Up Facility at their discretion.

1.4 Underwriting

The Underwriter is Lead Manager to the Entitlement Offer and has underwritten the full amount of the Entitlement Offer on the terms set out in the Underwriting Agreement. Customary with these types of arrangements:

- (a) the Underwriting Agreement includes a number of termination events, including:
 - (i) market related termination events, including in the event that the S&P/ASX 200 Index of ASX closes at 10% or more below the level at market close on the Business Day before the Underwriting Agreement was entered into for two consecutive trading days, or there is a general moratorium on commercial banking activities in Australia, the United States of America or the United Kingdom, or there is a material adverse change or disruption to the financial, political or economic conditions, currency exchange rates or controls or financial markets in Australia, the United States of America or the United Kingdom;
 - (ii) an adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of Mitchell Services and its controlled entities occurs;
 - (iii) changes in law;
 - (iv) the agreement for the Acquisition is terminated, void, avoided, illegal, invalid, unenforceable or materially limited in its effect, or any condition precedent in that agreement is not satisfied by its due date (or becomes incapable of satisfaction by its due date and is not waived); and
 - (v) except as disclosed to the Underwriter in the due diligence questionnaire, Mitchell Services breaches, or defaults under, any provision, undertaking covenant or ratio of any material financing arrangement which has a material adverse effect on the company;
- (b) the Underwriter is entitled to receive the following fees:
 - (i) an underwriting fee of 3.5% of the proceeds of the Entitlement Offer; and
 - (ii) a management fee of 1.5% of the proceeds of the Entitlement Offer.
- (c) the Underwriter is entitled to reimbursement of certain expenses; and

- (d) Mitchell Services has agreed to indemnify the Underwriter and others against their losses in connection with the Entitlement Offer.

1.5 Shortfall facility

A shortfall may arise if applications received for New Shares under the Entitlement Offer (including after the completion of the Top Up Facility (if any) are less than the number of New Shares offered and the Underwriter does not acquire that shortfall under the Underwriting Agreement.

The Directors reserve the right, subject to the requirements of the Listing Rules and the Corporations Act, to place Shortfall Shares within three months after the Closing Date to either existing or new Shareholders at their discretion.

If issued, Shortfall Shares will be issued at a price not less than the Issue Price of New Shares under the Entitlement Offer. Shareholders will not receive any payment or value for the Entitlements not taken up under the Entitlement Offer that are subsequently taken up as Shortfall Shares.

1.6 Eligibility of Shareholders

The Entitlement Offer is being offered to all Eligible Shareholders. An Eligible Shareholder is a Shareholder on the Record Date who:

- (a) has a registered address on the Mitchell Services share register in Australia or New Zealand or is a Shareholder that Mitchell Services has otherwise determined is eligible to participate;
- (b) is not in the United States and is not a person (including a nominee or custodian) acting for the account or benefit of a person in the United States; and
- (c) 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.

The Entitlement Offer is not being extended to the Ineligible Shareholders because of the small number of those Shareholders, the number and value of the Shares they hold and the cost of complying with applicable regulations in jurisdictions outside Australia and New Zealand.

1.7 Ranking of New Shares

The New Shares issued under the Entitlement Offer will be fully paid and rank equally with Existing Shares.

1.8 Allotment

Mitchell Services has applied for quotation of the New Shares on ASX. It is expected that allotment of the New Shares under the Entitlement Offer will take place no more than five Business Days after the close of the Entitlement Offer.

Application Monies will be held by Mitchell Services on trust for Applicants until the New Shares are allotted. No interest will be paid on Application Monies.

It is the responsibility of Applicants to determine the number of New Shares allotted and issued to them before trading the New Shares. The sale by an Applicant of New Shares before receiving their holding statement is at the Applicant's own risk.

1.9 Capital structure

Subject to the rounding up of fractional Entitlements, and assuming that no options are exercised before the Record Date, 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. The existing options at the Record Date comprised:

- (a) 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;
- (b) 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
- (c) 98,700,000 unquoted performance based options, with EBITDA and share price vesting conditions.

The board of Directors considers it is unlikely that any existing quoted options or unquoted management options will be exercised before the Record Date, as the exercise price of those options exceeds the last traded price of Mitchell Services shares before the Entitlement Offer was announced. The performance based options are not exercisable before the Record Date. In the event that any existing options are exercised, however, any proceeds raised will be applied to the general working capital of Mitchell Services.

1.10 Broker handling fee

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.

1.11 Information Availability

Eligible Shareholders can obtain a copy of this Information Booklet from the Mitchell Services website at www.mitchellservices.com.au or by calling the Share Registry on 08 9389 8033 (within Australia) or +61 8 9389 8033 (outside Australia) at any time from 8.30am to 5.00pm (AEST) during the Entitlement Offer period.

Persons who access the electronic version of this Information Booklet should ensure that they download and read the entire Information Booklet. The electronic version of this Information

Booklet will not include an Entitlement and Acceptance Form. A replacement Entitlement and Acceptance Form can be requested by calling the Share Registry.



ACQUISITION & CAPITAL RAISING

9 June 2015



Mitchell
SERVICES

DISCLAIMER

This investor presentation has been prepared by Mitchell Services Limited ("the Company"). Information in this presentation is of a general nature and does not purport to be complete, nor does it contain all of the information which would be required in a prospectus prepared in accordance with the requirements of the *Corporations Act 2001* (Cth). It contains, and is intended as, a summary and should be read in conjunction with the Company's other periodic and continuous disclosure announcements to the ASX, which are available at: www.asx.com.au.

An investment in the Company's shares is subject to known and unknown risks, many of which are beyond the Company's control. In considering an investment in the Company's shares, investors should have regard to (amongst other things) the risks outlined in this presentation.

The Company has appointed Morgans Corporate Limited ("Morgans") to act as underwriter to the entitlement offer. Morgans will receive fees for acting in this capacity. Morgans, its respective related bodies corporate and affiliates may agree to provide, or seek to provide, other financial services and products to parties involved in the entitlement offer, including the Company and its shareholders, and may receive fees in connection with any such provision. Neither Morgans, nor the advisers of the Company, have authorised, permitted or caused the issue of this presentation. None of them makes or purports to make any statement in this presentation and there is no statement in this presentation which is based on any statement by any of them.

This presentation contains statements, opinions, projections, forecasts and other material ("forward-looking statements") with respect to the financial condition, business operations and competitive landscape of the Company and certain plans for its future management. The words *anticipate*, *believe*, *expect*, *project*, *forecast*, *estimate*, *likely*, *intend*, *should*, *could*, *may*, *target*, *plan* and other similar expressions are intended to identify forward-looking statements. Such forward-looking statements are not guarantees of future performance and include known and unknown risks, uncertainties, assumptions and other important factors which are beyond the Company's control and may cause actual results to differ from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. Any forward-looking statements contained in this document are qualified by this cautionary statement. The past performance of the Company is not a guarantee of future performance. None of the Company, or its officers, employees, agents or any other person named in this presentation makes any representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward-looking statements or any of the outcomes upon which they are based.

The information contained in this presentation does not take into account the investment objectives, financial situation or particular needs of any recipient and is not financial product advice. Before making an investment decision, investors should consider their own needs and situation and, if necessary, seek independent professional advice.

To the maximum extent permitted by law, the Company, Morgans and the respective directors and advisers of both give no warranty, representation or guarantee as to the accuracy, completeness or reliability of the information contained in this presentation. Further, none of the Company, Morgans and the respective officers, agents or employees of both accepts, to the extent permitted by law, any liability for any loss, claim, damages, costs or expenses arising from the use of this presentation or its contents or otherwise arising out of, or in connection with it. Any recipient of this presentation should independently satisfy themselves as to the accuracy of all information contained herein.

Not an offer in the US

This presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. This presentation may not be distributed or released in the United States. The securities in the proposed offering have not been and will not be registered under the US Securities Act of 1933, or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the securities in the proposed offering may not be offered, or sold, directly or indirectly, in the United States, except in a transaction exempt from, or 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.

EXECUTIVE SUMMARY

- Mitchell Services Limited ("**Mitchell Services**") has entered into an agreement to acquire the assets of Nitro Drilling ("**Nitro**") for \$16.125m (plus GST)
- The acquisition will be funded by a secured corporate lending facility of \$8.5m and an underwritten rights issue of \$8.42m
- The rights issue will be fully underwritten by Morgans Corporate Limited. The capital raising consists of:
 - A 4 for 7 non-renounceable rights issue to existing shareholders to raise \$8.42m at \$0.017 per share ("Entitlement Offer")
- The secured corporate lending facility is being provided by two of Mitchell Services' major shareholders, Washington H. Soul Pattinson & Company Limited (**WHSP**) and Mitchell Group[#]
- The acquisition of Nitro assets will consolidate Mitchell Services' position as a leading provider in the Eastern States drilling market, following the 2014 acquisition of the assets of Tom Browne Drilling Services. The rig fleet of Mitchell Services will be appropriately expanded and upgraded following the acquisition
- Importantly, the addition of 20 Tier 1 drilling rigs will provide capacity to fill Mitchell Services' strong tender pipeline for Tier 1 contracts
- Following completion of the acquisition Mitchell Services will sell non-core assets. Non-core asset sales are expected to net \$3-\$5m and other idle assets can potentially be rented
- Major shareholders Mitchell Group and WHSP have committed to take up their rights in full under the Entitlement Offer and provide the secured[#] corporate lending facility (Mitchell Group's proportion is \$3.5 million and WHSP's is \$5 million)
- All Directors and Senior Management intend to participate in the Entitlement Offer

[#] The grant of security to Mitchell Group is subject to shareholder approval. The lender is Mitchell Family Investments (Qld) Pty Ltd as trustee for the Mitchell Family Investment Trust.

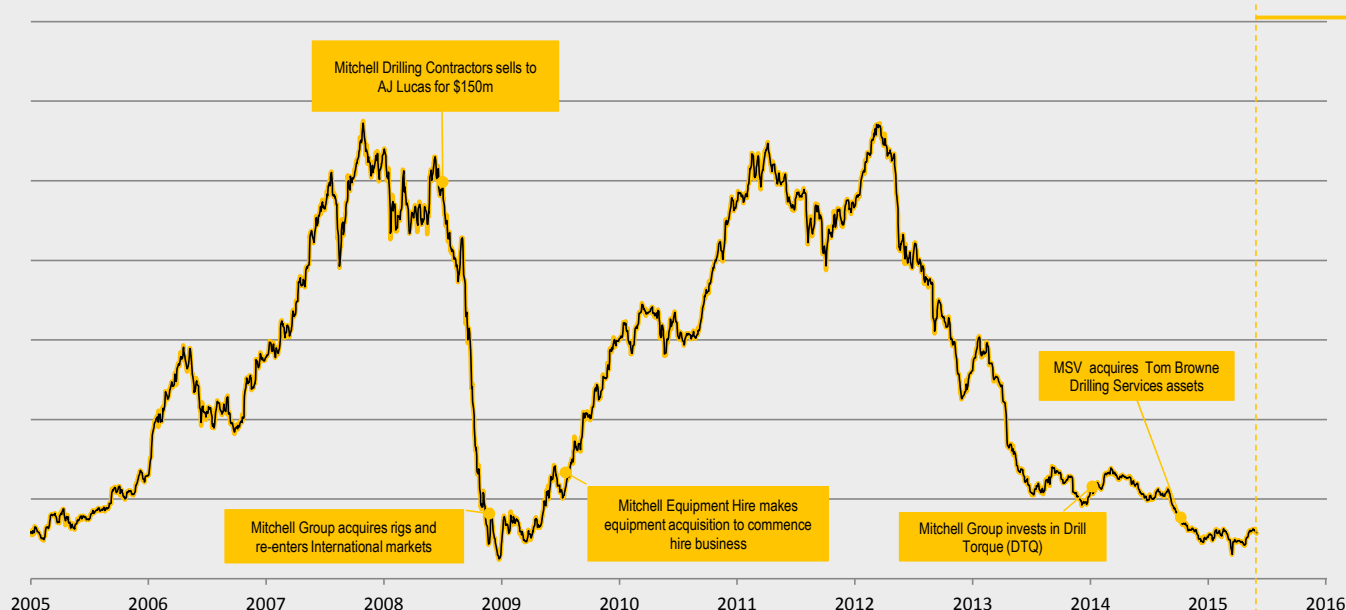


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www.mitchellservices.com.au

CYCLICAL MARKET PRESENTS OPPORTUNITY

- Board and management have a strong understanding of the cyclical nature of the industry which drives investment decisions



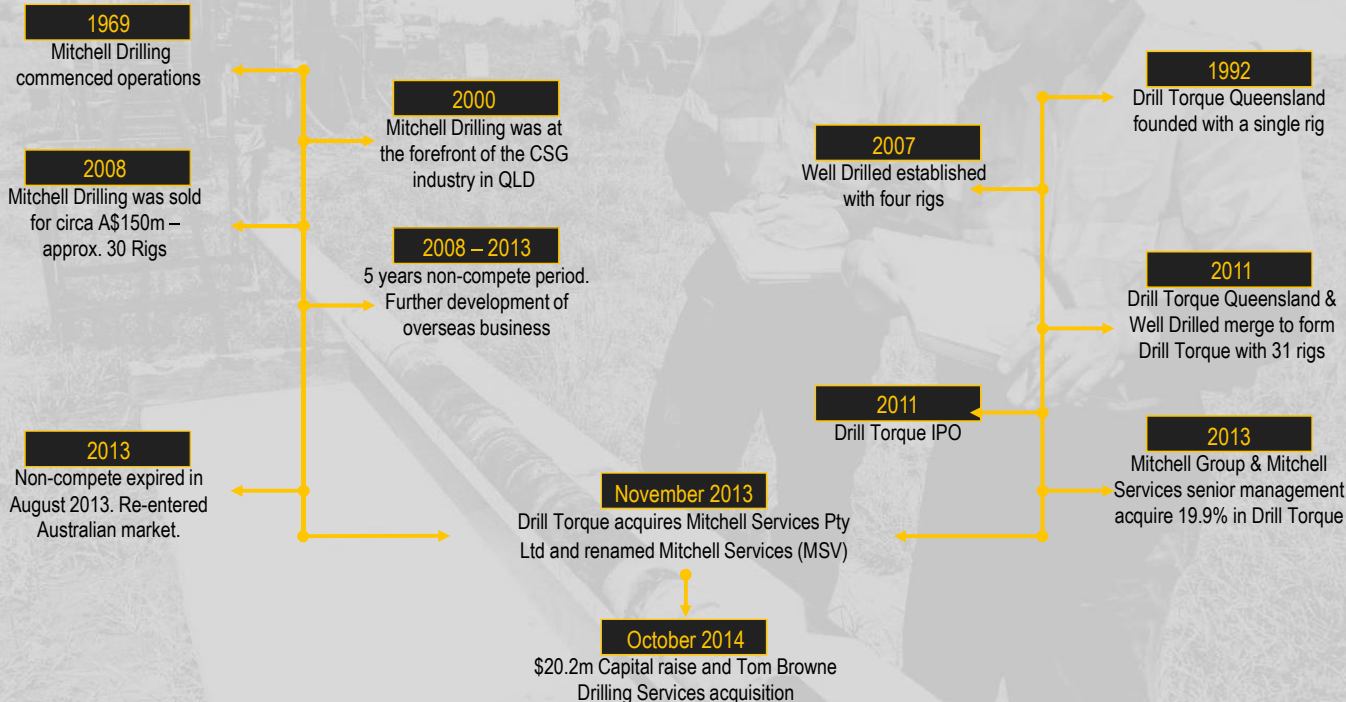
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www.mitchellservices.com.au

HISTORY

MITCHELL SERVICES HISTORY

DRILL TORQUE HISTORY



MITCHELL SERVICES MARKET PROFILE

ASX Stock Symbol:	MSV
Shares Issued:	867,000,222
Performance Options:	98,700,000
Share Price (at 3/6/15):	A\$0.025
Market Capitalisation:	A\$21.67m
Average Daily Volume:	476,059
12 Month Volume:	124,727,529
Cash on hand (at 31/5/15):	A\$1.85m

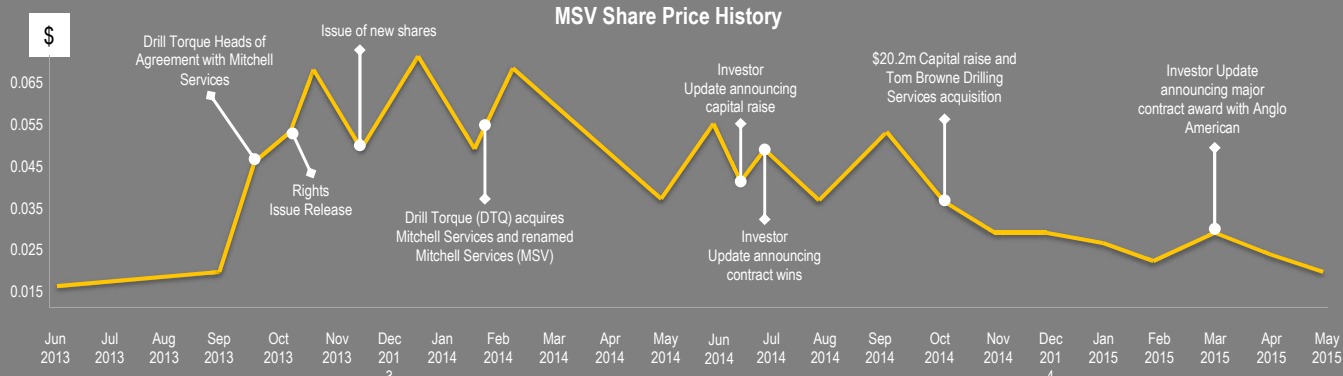
Senior Management Team

Executive Chairman – Nathan Mitchell
Chief Executive Officer – Andrew Elf
CFO & Company Secretary – Greg Switala
Chief Commercial Officer – Gary Salter
General Manager Drilling – Cameron Wright

Major Shareholders

1	Mitchell Group	19.98%
2	Acorn Capital	9.89%
3	CVC	8.99%
4	Washington H Soul Pattinson	8.80%
5	Miller Family	4.97%

MSV Share Price History



MITCHELL SERVICES VISION

To be Australia's leading provider of drilling services to the global exploration, mining and energy industries

Be Sure. Be Safe

*Our people are
your success*

Find a better way



Management
Team



Safety



Leading
Technology



Systems



Operational
Capability



Value
Proposition

BUSINESS PROGRESSION

Phase 1: Post Drill Torque merger Nov 2013 – 30 Jun 2014

Business Ready

- **ISO certification** and implementation of electronic safety, training and human resources management system
- Review and implementation of **Industrial Relations strategy** to increase flexibility across the business
- Moved operational base, corporate office and rented Townsville premises to major global defence contractor
- Auction of surplus equipment
- Increased rig utilisation from 3 to 12 rigs

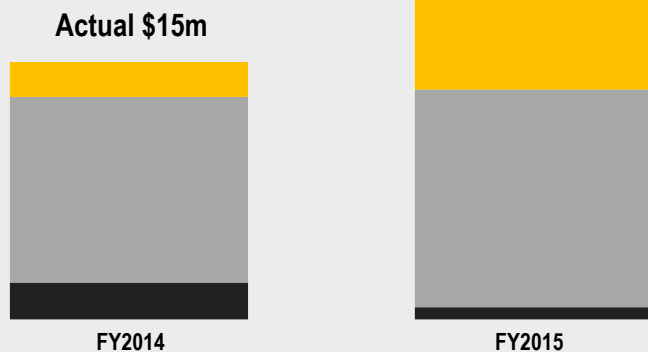
Phase 2: Financial Year Targets 2015

Ramp Up

- Implement initiatives to improve safety culture and performance
- Expected **\$24m** revenue in FY 2015
- **\$20.2m** capital raise for the **acquisition of Tom Browne Drilling Services** assets from receivers
- Integration of Tom Browne Drilling Services including auction of surplus equipment
- **Increase "Tier 1" client base and increase rig utilisation**

REVENUE BY CLIENT TYPE

- Tier 1* Operating Income
- Other Operating Income
- Non-Operating Income

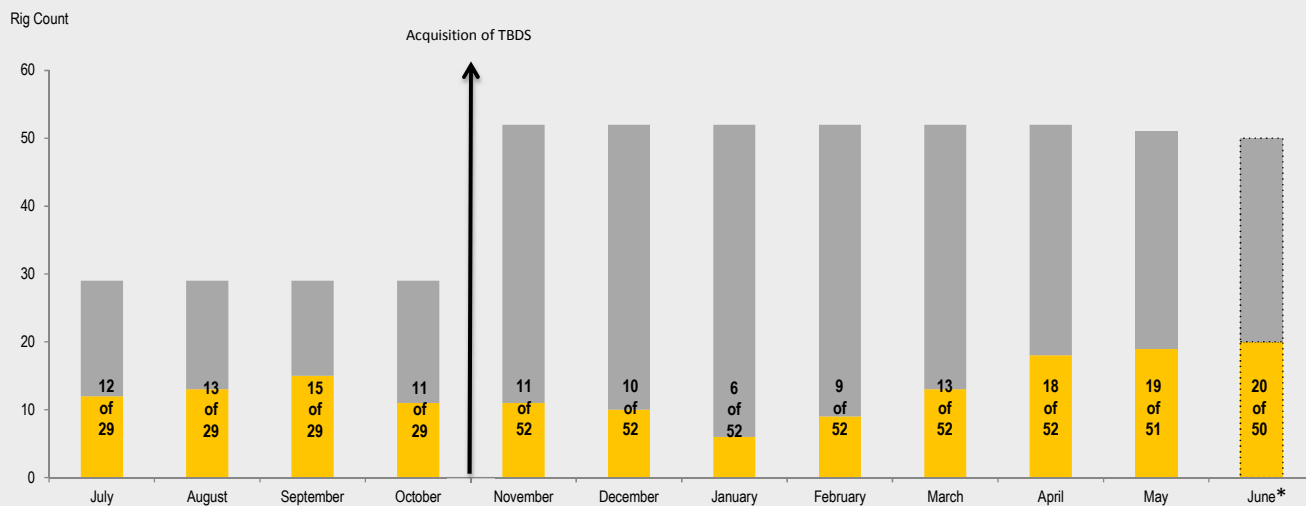


*multinational mining & energy companies

VALUE OF TIER 1

- Multinational mining and energy companies
- Very high safety and business system requirements
- Generally brownfield work for existing mining operators
- Longer term contracts

RIG UTILISATION



- Increase post Christmas and Wet Season
- Contracted Anglo American Australia (Queensland Coal) six rigs for three years from May
- Tender pipeline continues to grow
- Doubled average rig utilisation for same period in previous year

* Forecast

BUSINESS DEVELOPMENT

Tender pipeline value in excess of \$275m



Dominant market position in:

- Queensland Minerals
- Queensland Coal

Strengthening market position in:

- New South Wales Minerals
- New South Wales Coal

Tender Pipeline continues to grow and historical conversion rate at circa 50%

BUSINESS DEVELOPMENT (CONT.)

- **Operational excellence is recognised** across a wide range of commodities and drilling market sectors

Future Business Opportunities

- **Coal Seam Gas Drilling – Find a better way**
- Mitchell has identified one large opportunity in this market sector and Nitro has a compliant rig with all ancillary that could be utilised
- **Large Diameter Drilling – Technically complex high margin business**
- Mitchell has gained market share in this sector and continues to do so. Nitro assets will allow Mitchell to further extend its offering
- **Environmental monitoring and remediation** a growing market sector gaining momentum
- Nitro assets include three grouting units that clients to service a high growth market sector



COMPETITIVE PROFILE OF MARKET HAS IMPROVED

Numerous competitors have exited the market

- Major Drilling
- Nitro Drilling
- Pinnacle Drilling
- Macquarie Drilling
- Tec Drill
- AJ Hickey Contractors
- Geo Tech Drilling
- WDS

- After a period of market consolidation Nitro possibly presents one of the last opportunities to purchase a significant pool of assets and inventory at a significant discount to new pricing
- New entrants are unable to secure finance to enter the drilling sector



NITRO ACQUISITION

- Receivers appointed to Nitro Drilling (**Nitro**) in March 2015
- Opportunity to acquire -
 - **Significant asset base** of 25 rigs (20 Tier 1), 3 grouting units and material ancillary equipment and inventory.
- Attractive pricing -
 - **Acquiring from receivers for A\$16.125m**
 - **Replacement valuation** per data from the data room circa **A\$84.0m** (excluding extensive inventory) in April 2015
- Opportunistic acquisition below valuation due to –
 - Distressed seller with significant further losses to accrue if the fleet is left idle or sold piecemeal
 - Portfolio purchase discount
 - The number of parties willing and able to complete this transaction are limited
- Opportunity to resize and rebalance entire fleet and ancillary equipment–
 - Identify assets that can be sold from existing fleet and Nitro acquisition to standardise equipment and reduce debt
 - Opportunity to utilise Tier 1 assets acquired to satisfy tender pipeline

WHY ACQUIRE NITRO ASSETS

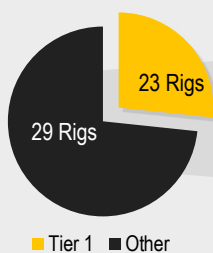
- The current Tier 1 rig fleet is operating at near full utilization (87.5%)
- With the strong tender pipeline the Nitro acquisition **creates the rig capacity to execute on the pipeline**



- Mitchell Services can utilise Nitro assets for Tier 1 opportunities and **generate a superior return versus buying new equipment**
- Non core assets can be sold post acquisition and used to **pay down debt** and **inventory utilised to increase margin**
- Strengthen market share position
- Attractive acquisition price is cheaper than refurbishing existing non-Tier 1 rig fleet
- Ability to utilise a fully functioning Workshop and Service facility in Dysart
- Three grouting units acquired allows Mitchell Services to **enter a new and growing market sector**
- Acquisition of the Nitro business will restrict these assets becoming available to competitors

MITCHELL SERVICES FLEET CAPABILITY

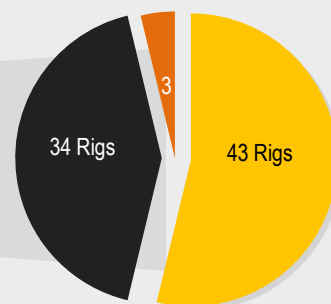
CURRENT FLEET



■ Tier 1 ■ Other

- Tier 1 rig utilisation is running at 87.5%
- Income spread across multiple commodity sectors including coal, copper and gold
- Income spread across multiple services sectors including exploration, mine services and underground drilling
- Market has not recovered to the point yet where Mitchell Services can take material advantage of Tier 2 rigs – demand is for Tier 1 rigs from brownfield operations

FLEET POST ACQUISITION



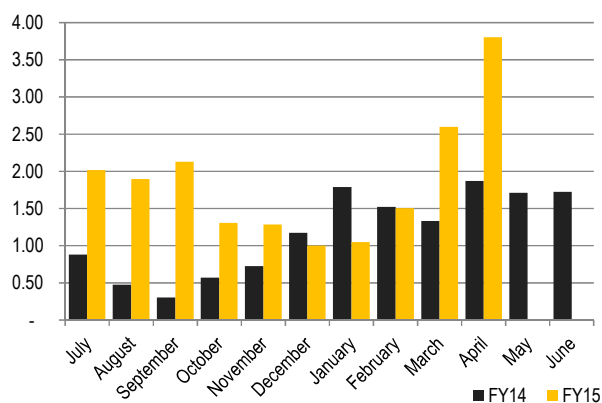
■ Tier 1 ■ Other ■ Grouting

- Just under a 100% increase in Tier 1 rigs from 23 to 43 rigs
- Increase in total fleet from 52 to 77 rigs
- Acquisition of 3 grouting units in addition to the above to enter high growth market sector
- Resize and reshape fleet to standardise and reduce debt whilst maintaining a Tier 2 fleet to take advantage when general market conditions improve

REVENUE HIGHLIGHTS

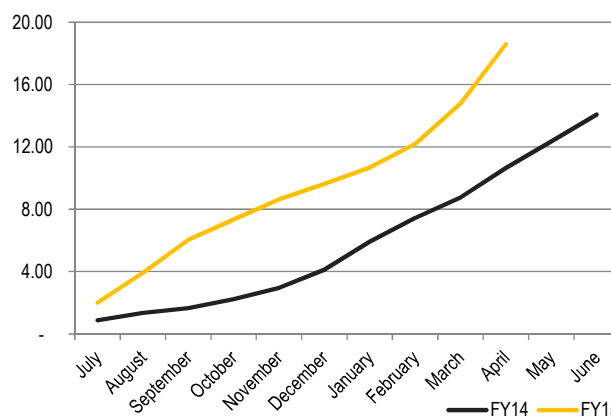
	FY14	FY15	VARIANCE	
10 Months revenue to April	\$10.64m	\$18.58m	74.6%	↑
Full year revenue	\$15.01m	\$24.00m*	59.9%	↑

Revenue by Month (\$m)



* FY15 target

Cumulative Revenue by Month (\$m)



USE OF FUNDS AND LIQUIDITY

- Set out below are the use of funds and available funding for Mitchell Services post the capital raising.
- Table 1 is an estimate of the actual cash position post acquisition, post capital raising and inclusive of material post capital raising events

Table 1 – Estimate of available cash	Amount
Current cash balance at 31 May 2015	\$1,850,336
Rights issue net of associated costs	\$7,845,000
Funds from debt financing	\$8,500,000
Total anticipated asset costs	(\$16,425,000)
Adjusted estimate of available cash¹	\$1,770,336

¹ The Estimate of available cash ignores cash flows as a result of GST payments. GST payments will flow in and out of the company in the ordinary course of business.

FINANCIAL POSITION

Mitchell Services Group

Balance Sheet
As at 30 April 2015
Management Accounts

	Pro Forma Balance Sheet 30 April 2015	Capital Raise	Pro Forma Balance Sheet Post Raise	Post Balance Sheet Event	Adjusted Pro Forma Balance Sheet
Current Assets					
Cash at Bank	\$1,118,284	(\$80,000)	\$1,038,284		\$1,038,284
Other Current Assets	\$8,029,534		\$8,029,534	\$130,000	\$8,159,534
Total Current Assets	\$9,147,818	(\$80,000)	\$9,067,818	\$130,000	\$9,197,818
Non Current Assets					
PPE	\$20,617,216	\$16,425,000	\$37,042,216	\$1,300,000	\$38,342,216
Other Non-Current Assets	\$1,490,936		\$1,490,936		\$1,490,936
Total Non Current Assets	\$22,108,152	\$16,425,000	\$38,533,152	\$1,300,000	\$39,833,152
TOTAL ASSETS	\$31,255,971	\$16,345,000	\$47,600,971	\$1,430,000	\$49,030,971
Current Liabilities					
Term Debt	\$319,452		\$319,452		\$319,452
Equipment Finance	\$1,746,802		\$1,746,802		\$1,746,802
Other Current Liabilities	\$6,222,182		\$6,222,182	\$1,430,000	\$7,652,182
Total Current Liabilities	\$8,288,436		\$8,288,436	\$1,430,000	\$9,718,436
Non-Current Liabilities					
Term Debt	\$1,048,815	\$8,500,000	\$9,548,815		\$9,548,815
Equipment Finance	\$2,930,598		\$2,930,598		\$2,930,598
Other Non-Current Liabilities	\$84,424		\$84,424		\$84,424
Total Non-Current Liabilities	\$4,063,837	\$8,500,000	\$12,563,837		\$12,563,837
TOTAL LIABILITIES	\$12,352,273	\$8,500,000	\$20,852,273	\$1,430,000	\$22,282,273
NET ASSETS	\$18,903,697	\$7,845,000	\$26,748,697		\$26,748,697
Capital and Reserves					
Capital Raising	\$18,903,697	\$8,420,000	\$26,748,697		\$26,748,697
Less Capital raising Costs		(\$575,000)			
TOTAL EQUITY	\$18,903,697	\$7,845,000	\$26,748,697		\$26,748,697

The unaudited pro forma balance sheet set out above has been derived from Mitchell Services unaudited management accounts consolidated balance sheet as 30 April 2015 and has been prepared for illustrative purposes to show the impact of the following pro forma adjustments-

- (1) The Nitro asset purchase and associated equity raise
- (2) The effect of a material post 30 April 2015 event:
 - i. MSV have recently purchased a Schramm T130XD rig for \$1,300,000 (excl GST). The effect of the transaction on the pro forma balance sheet is an increase in fixed assets of \$1,300,000, an increase to current assets of \$130,000 and an increase to current liabilities of \$1,430,000.
- (3) Management accounts include write downs in Goodwill (\$2,994,236) and Deferred Tax Asset (\$4,580,690) which have occurred since December 2014.

NOTE

The unaudited pro forma balance sheet is based on numerous assumptions that may or may not reflect the actual financial position of Mitchell Services after completion of the offer. This pro forma balance sheet is presented in summary format and does not contain all disclosures required under the Corporations Act. The pro forma information has been prepared using AIFRS and reflects the accounting policies of Mitchell Services and is based on unaudited accounts. The pro forma balance sheet assumes the capital raising has been completed as at 30 April 2015 although the actual date will be at a later date. The pro forma balance sheet assumes the acquisition of Nitro Drilling (in receivership) unencumbered assets as at 30 April 2015 although the actual date of acquisition will be at a later date.



EQUITY OFFER OVERVIEW

THE OFFER

The capital raising consists of the following components

- A 4 for 7 non-renounceable rights issue to existing shareholders to raise \$8.42m at \$0.017 per share ("Entitlement Offer")
- Top-Up Offer to existing shareholders to subscribe for shares greater than their entitlement. Any allocation of additional shares under the Top-Up Offer is subject to the shortfall amount under the Entitlement Offer and the discretion of the Board.
- The new shares will rank equally with Mitchell Services existing shares

PRICING

Offer price of \$0.017 per share represents

- 32% discount to last close of \$0.0250 per share
- 24.4% discount to 1 week VWAP of \$0.0232 per share
- 24.3% discount to 1 month VWAP of \$0.0231 per share
- 23.08% discount to TERP* of \$0.0221 per share

SHAREHOLDER SUPPORT

- Major shareholders, the Mitchell Group and Washington H. Soul Pattinson and Company Limited have committed to take up their rights in full under the Entitlement Offer.
- All Directors and Senior Management intend to participate in the Entitlement Offer

USE OF PROCEEDS

The capital raising of \$8.42 million will be used to partially fund the acquisition of the assets of Nitro Drilling Pty Ltd

UNDERWRITING

The offer is fully underwritten by Morgans Corporate Limited

* The theoretical ex rights price (TERP) is the theoretical price at which MSV shares should trade immediately after the ex date for the entitlement offer. TERP is a theoretical calculation only and the actual price at which MSV shares trade immediately after the ex date for the Entitlement Offer will depend on many factors and may not be equal to TERP.



EQUITY OFFER OVERVIEW (CONTINUED)

INDICATIVE TIMETABLE (subject to change)

Activity	Date
Announcement of Entitlement Offer	Tuesday, 9 June 2015
Ex-date for Entitlement Offer	Friday, 12 June 2015
Record date	Tuesday, 16 June 2015
Entitlement Offer opens	Wednesday, 17 June 2015
Entitlement Offer closes	Friday, 26 June 2015
Entitlement Offer shares settle	Thursday, 2 July 2015
Entitlement Offer shares are issued	Friday, 3 July 2015
Entitlement Offer shares commence trading on a normal basis	Friday, 3 July 2015

DEBT FINANCING OVERVIEW

NEW FACILITIES

- Major shareholders, Mitchell Group and Washington H. Soul Pattinson & Company Limited (**WHSP**) will provide a secured corporate lending facility of \$8.5 million
- Proportions: Mitchell Group - \$3.5 million, WHSP - \$5 million
- 5 year term
- 10% interest rate
- Loan facility secured against Nitro assets[#]
- Interest on the loans for the first two years will be paid at the start of each year by the issue of Mitchell Services shares[#]
 - Year 1 interest paid in shares with an issue price of \$0.017; and
 - Year 2 interest paid in shares with an issue price equal to the volume weighted average price for the 30 trading days prior to the issue of the New Shares at the start of year 2

[#] The Lender, Mitchell Family Investments (Qld) Pty Ltd as trustee for Mitchell Family Investment Trust, is a related party of Mitchell Services Ltd, therefore the security arrangements and the issue of shares to satisfy interest payments are subject to shareholder approval. If shareholder approval is not received the loan will become repayable within a further 90 days.

EXISTING FACILITIES

Provider	Type	Liability
Westpac	Loan facilities	668,267
GE Capital	Loan facilities	477,548
Suncorp*	Loan facilities	700,000
Toyota Finance	Equipment finance	1,008,258
Suncorp	Equipment finance	1,102,327
Other	Equipment finance	2,089,267
Total debt financing		6,045,668

*Also includes an overdraft facility of \$2.5million which is undrawn at 9 June 2015 and bank guarantees of \$1.43mil. These are subject to an annual review at 31 December 2015. Management are confident that these will be renewed.

SUMMARY

- **Competitive landscape is improving** rapidly and **barriers to entry for new competitors have continued to increase**
- Best pricing for assets that Board and Management have seen.
Nitro assets to be acquired at \$16.125m versus a replacement value of circa \$84m (excluding inventory)
- Post acquisition, Mitchell Services will have **the largest fleet of its kind in Eastern Australia** and one of the larger fleets in Australia to deliver on its vision of being **Australia's leading provider of drilling services** to the global exploration, mining and energy industries
- **Compelling bottom of the market investment opportunity with significant upside** if general market conditions continue to improve



APPENDIX

- Appendix 1 – Capital Structure and Performance Options
- Appendix 2 – Assets To Be Acquired From Nitro
- Appendix 3 – Board and Management
- Appendix 4 – Where are we in the cycle?
- Appendix 5 – Types of Drilling
- Appendix 6 – Investment Risks



APPENDIX 1 – CAPITAL STRUCTURE & PERFORMANCE OPTIONS

Current shares on issue	867,000,222
Rights issue ratio	4 for 7
Rights issue shares (subject to rounding of entitlement)	495,429,699
New shares on issue post Capital Raising (subject to rounding of entitlement)	1,362,428,921
Total performance options (Tranche C & D)	98,700,000
Tranche C - \$7m FY16 EBITDA & 7cps share price	49,350,000
Tranche D - \$9m FY16 EBITDA & 8cps share price	49,350,000

- Performance options were issued to Mitchell Group and its senior managers as consideration for the options cancelled through the merger with Drill Torque
- Tranche C & D are subject to EBITDA hurdles in FY2016 of \$7m and \$9m respectively, in addition to 10 day VWAP share price hurdles of 7 cps and 8 cps respectively at any time in the 12 month period following the release of the FY16 results

APPENDIX 2 – ASSETS TO BE ACQUIRED FROM NITRO

Asset Description / Type	Approximate Number	Note
Rigs	25	20 Tier 1 and all mounted on Mercedes 8x8 trucks
Grouting Units	3	Truck mounted
Support Truck	26	Mercedes 8x8 trucks
Tilt Tray	4	Mercedes 8x8 trucks
Prime Mover	4	
Trailers	30	Various types
Mercedes Sprinter Vans	35	
Other Light Vehicles	20	Hilux, Amarok, Land Cruiser
Camp	1	26 man camp
Forklifts	4	Cat, Crown, Manitou
Compressors	16	900/1150 Sullair (Count excludes rig mounted compressors)
Hydraulic Jack-up	30	
Other ancillary		Containers and other including workshop & service facility
Inventory		Drill pipe and other

Modern well maintained plant and equipment with an average age of 4.5 years

APPENDIX 3 - BOARD AND MANAGEMENT

NATHAN MITCHELL – Executive Chairman

During his tenure as CEO for Mitchell Drilling Contractors the company doubled in size with Mr. Mitchell directing an international expansion into China, Indonesia, USA and various countries across Southern Africa.

ANDREW ELF (B.Com, CPA, MBA, GAICD) – Chief Executive Officer

Mr. Elf has over 15 years finance, commercial and operation experience. He has held senior roles with Boart Longyear where he spearheaded the growth of the African business to an annual turnover in excess of \$30 million.

PETER MILLER - Non Executive Director

Mr. Miller founded Drill Torque in 1992 with one drill rig, which grew to 29 prior to the acquisition of Well Drilled. Mr. Miller has been involved in all aspects of the drilling industry for the past 28 years and has extensive knowledge of the drilling conditions, equipment requirements and pricing structure to maximize productivity.

GREG SWITALA (B.Com Hons CTA, CA) CFO & Company Secretary

Mr. Switala joined Mitchell Services Limited in April 2014 as Group Financial Controller. Before joining MSV Mr. Switala has six years' financial accounting and reporting experience in the property and gaming industries and three years' experience in audit with KPMG Inc.

ROBERT DOUGLAS (BCom, LLB) – Non Executive Director

Mr. Douglas has over 15 years experience in finance and investment banking and is currently Executive Director of Morgans Financial. He has vast experience in all aspects of corporate advisory and equity capital raising for listed public companies and companies seeking to list.

GARY SALTER (B.Sc (Geology) Hons) - Chief Commercial Officer

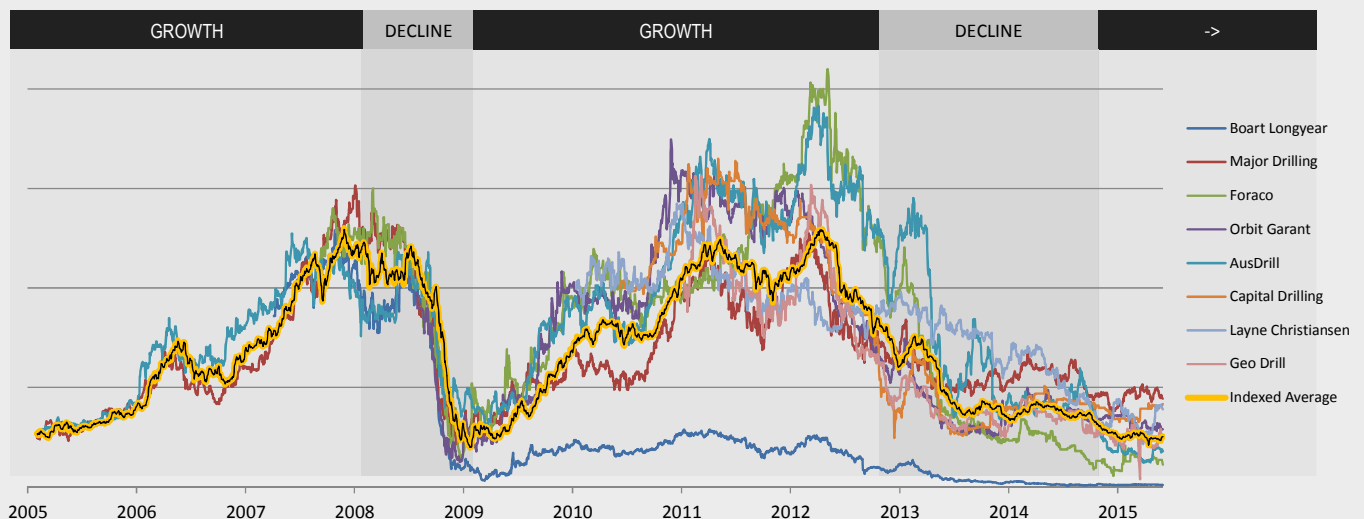
Mr. Salter has a wealth of senior management experience having worked with BHP Billiton (BHPB) for over 32 years in mine geology and exploration. Mr. Salter has been instrumental in leading the business development function and strengthening relationships with blue chip clients.

CAMERON WRIGHT (B.Laws)– General Manager Drilling

Mr Wright founded Capricorn Weston Drilling in 1996 and sold the business in 2007 having grown the business to work with multiple Tier 1 clients across Queensland. Cameron has in excess of 20 years industry experience and in addition to being a successful business owner has worked for major mining and services organization's.

APPENDIX 4 - WHERE ARE WE IN THE CYCLE?

Listed Drilling Company – Share Price Movements (Average is a non weighted average of daily close prices)



- **Where are we in the cycle?**
 - Production drilling must continue
 - Near mine exploration activity is increasing
 - Mine Services activity is increasing
 - Evidence of base level commitment spending in greenfield exploration
- **Why is now the time to invest?**
 - Industry peers experiencing financial distress and rig counts in the market place have reduced
 - Pipeline continues to grow
 - Business ready and in the ramp up phase
 - Strengthen market position in key market sectors

APPENDIX 5 – TYPES OF DRILLING

Types of Drilling		MSV
SURFACE DRILLING COAL	Activity: Low -Activity is primarily focused on production Competition: High CAPEX: Medium to High Comment: Competition has increased markedly as metals drilling companies enter this market sector	Recognised as experts in this market sector and CCO has extensive contacts network
SURFACE DRILLING METALS	Activity: Low - Activity is primarily focused on brownfield exploration and production Competition: High CAPEX: Medium to High Comment: Opportunity for consolidation in highly fragmented market sector	Continue to gain momentum since Australian market re-entry
UNDERGROUND DRILLING	Activity: Medium -This work is primarily production related Competition: Medium to High CAPEX: Medium Comment: Step change in sector with the development of the mobile drill rig	Increase market awareness that Mitchell Services actively participates in this market sector
OIL & GAS	Activity: Medium Competition: High CAPEX: High Comment: High risk high return. Long term contracts critical to success	Highly experienced in specific segments of this market sector
OTHER SERVICES	Activity: Low to Medium Competition: Medium CAPEX: Low to High pending service Comment: Diversification from cyclical minerals cycle	Not core business but have Logging Units

APPENDIX 6 – INVESTMENT RISKS

Acquisition of Nitro assets

Despite having external due diligence completed on the Nitro assets, the assets have been bought under a receiver sale on an 'as is, where is' basis and there is a risk that they do not perform according to current expectations. This may require significant maintenance or additional expenditure by the Company in order to have them in working order or brought up to the required standards for their intended use.

Seasonal conditions and business interruptions

The Company has exposure to a number of natural events such as cyclones, persistent rainfall, floods and fire which are beyond its control. Natural events would affect the Company's productivity and ability to engage in contract drilling for customers and, as a result, could have a material adverse effect on the Company. Unstable weather conditions, unstable service sites, regulatory intervention, delays in necessary approvals and permits or supply bottlenecks may reduce the Company's ability to complete drilling services contracts resulting in performance delays, increased costs and loss of revenue. The Company seeks to mitigate these and other risks by securing clients in multiple geographic locations so as to minimise the impact of events such as the Queensland wet season.

Dependence on key personnel and labour shortages

The Company's primary intellectual asset is the skill and experience of its staff. It is essential that appropriately skilled staff be available in sufficient numbers to support the Company's operations. While the Company has initiatives to mitigate this risk, including implementing special training programs, loss of key staff or failure to attract new staff may have a negative impact on the financial performance or otherwise of the Company and in particular its ability to expand its business. The loss of key staff to a competitor may magnify this impact.

Effects of amended industrial relations laws

Recent changes to Commonwealth industrial relations laws particularly in regard to new awards may result in increased labour and compliance costs. This could impact on the ability of the Company to retain key personnel, attract new workers or replacement personnel. Any further changes to Commonwealth industrial relations laws may result in additional labour and compliance costs.

Industrial accidents

Industrial accidents may occur with respect to the Company's business. In the event of a serious accident, for example resulting in a fatality or serious injury, or a series of such accidents on

projects, substantial claims may be brought against the Company. Any such claim could result in substantial liability for the Company, which could negatively impact on growth prospects and adversely affect the financial performance and/or financial position of the Company.

Customer demand and outlook for resources industry

The Company's business depends on, amongst other things, the level of mining activity. Levels depend on a number of factors outside the control of the Company, including, but not limited to, continued global economic growth, continued international demand and infrastructure constraints experienced by the Company's clients. Any prolonged decline in the demand for resources may result in a corresponding decline in the use of the Company's services which will have an adverse effect on the financial performance and/or financial position of the Company. Commodity prices are volatile. Industry experience indicates that when commodity prices fall below certain levels, mining expenditure and activity decline in the following 12 months. There is a risk that a significant, sustained fall in commodity prices could substantially reduce future mining activity and accordingly demand for the Company's services.

Equipment constraints

Some of the specialist services provided by the Company require the use of purpose-built drilling rigs and equipment. The Company may have difficulty in gaining access to additional purpose-built rigs or equipment or adequate supplies of equipment at appropriate prices and in a timely manner or the quality of the available equipment may not be acceptable or suitable for its intended use. The Company may also not be able to make the necessary capital investment to maintain or expand its rig fleet. Any of these factors may constrain the Company's ability to provide services and may ultimately have an adverse effect on its growth opportunities, financial performance and/or financial position.

Concentration risk and industry downturn

The Company's focus on drilling gives rise to some degree of concentration risk in that the prospects of the Company are largely tied to the prospects of the mining industry.

APPENDIX 6 – INVESTMENT RISKS (CONT.)

Operational risks

The Company and its customers are exposed to a range of operational risks relating to both current and future operations. Such operational risks include equipment failures, information technology system failures, external services failure, industrial action or disputes and natural disasters. Whilst the Company endeavours to take appropriate action to mitigate these operational risks and to insure against them, the Company cannot control the risks to which its customers are exposed, nor can it completely remove all possible risks relating to its own business.

Changing customer preferences regarding contractual arrangements

The majority of the Company's contracts for the provision of services are negotiated on a variable costs relationship-based agreement. However, a small number are negotiated on a fixed-price basis. Fixed-price contracts are typically higher risk. Should customers in the future exhibit a preference for fixed-price contractual arrangements, this may have an adverse effect on the financial performance and/or financial position of the Company.

Capital and maintenance expenditure

The Company requires sufficient access to capital to fund the maintenance and replacement of its existing fleet of rigs, plant and equipment and any future expansion. Failure to obtain capital on favourable terms may hinder the Company's ability to expand and maintain its fleet of rigs or equipment which may reduce the Company's competitiveness.

Operating costs

This is a risk of unexpected increases in variable operating costs including labour, insurance and maintenance, which may adversely affect the Company's operating and financial performance.

Remote locations

The Company regularly undertakes projects in remote locations. The remoteness of the location exposes the Company to an increased risk of a shortage of skilled and general labour and potentially increased costs which may or may not be able to be passed onto the customer. The Company may also be exposed to a greater risk of logistical difficulties with plant and equipment because of the remote locations of its projects.

Early mine closure

The Company typically enters into contracts for the provision of services in relation to large, individual mines, which remain in force over extended periods of time. The Company ordinarily deploys its equipment and/or personnel with a view to providing services in relation to the

particular mine on a continual basis over the duration of a service contract's life.

Early or unforeseeable closure of a mine could result in loss of expected revenues, and additional expenses for demobilisation, maintenance and storage of equipment used at that time.

Environmental incidents and claims

The Company operates in an industry where environmental issues, including inclement weather, may delay contract performance or result in complete shutdown of a project, causing a deferral or preventing receipt of anticipated revenues.

Reputation

The Company's ability to retain and source new customers is heavily dependent on its reputation and current relationships with key customers. A dissatisfied customer, poor performance or litigation may result in significant damage to the Company brand and may impact on the Company's ability to maintain existing customers or enter into new customer relationships, resulting in an adverse impact, on its financial performance and/or financial position.

Insurance risks

The Company provides drilling services to third parties, which exposes the Company to the risk of liability from defective services, including indirect or consequential losses suffered by third parties. The Company contractually limits its exposure to liability, and the Company maintains public liability insurance. The Company also has Directors' and Officers' insurance, which it believes to be commensurate with industry standards, and adequate having regard to the business activities of the Company. Nevertheless, there remains a risk that the Company's insurance coverage will be insufficient to meet a very large claim or a number of large claims or that the Company is unable to secure insurance to satisfactorily cover all anticipated risks or that the costs of insurance will increase beyond anticipated levels.

APPENDIX 6 – INVESTMENT RISKS (CONT.)

Future funding

While the Directors believe that the Company will have sufficient funds to fund its activities in the short term, the Company is operating in a dynamic and rapidly growing industry. If the Company does not meet its stated objectives, it may need additional debt or equity funding. There can be no guarantee that such funding will be available to the Company on reasonable terms or at all. Any such failure to obtain funding on reasonable terms may result in a loss of business opportunity and excessive funding costs, including dilution to Shareholders if equity funding is pursued. Mitchell Services is obliged to adhere to covenants in its debt facilities. If Mitchell Services performance is significantly below expectations, there is a risk that it may not comply with its borrowing covenants, which may relate to it having to repay debt facilities earlier than their scheduled maturities.

Recognition of revenue

The Company's performance is influenced by its ability to win new contracts for the provision of drilling services and the completion of those contracts in a timely and efficient manner. Where new and existing contracts are delayed the recognition of revenue for those contracts may be deferred to later accounting periods.

Entry of new competitors

The entry of additional competitors in the drilling services sector could result in reduced operating margins and loss of market share. Such occurrences could adversely affect the Company's operating and financial performance.

Growth – new customers

The Company's ability to grow its business depends, to a large degree, on its ability to secure new customers and contracts. Failure to obtain new drilling contracts may have a material adverse effect on the Company.

Regulatory environment

The sector in which the Company operates is highly regulated by the various state and federal governments. The Company must comply with the relevant regulations and, as a consequence, its ongoing operations are subject to regulatory changes. Changes to the way in which the market is regulated could adversely affect the business or financial performance of the Company by the imposition of additional capital and/or operational obligations on the Company.

Concentration of shareholding

Entities associated with the Mitchell Group are expected to hold 20% of the issued shares in the Company immediately following the issue of shares under the offer with the ability to increase that interest to 27.6% if all of their Performance Options vest and following the 1st year interest paid on the corporate lending facility*. Accordingly, the Mitchell Group and its associated entities will continue to be in a position to exert significant influence over the outcome of matters relating to the Company, including the election of Directors and the consideration of material Board decisions. Although the interests of the Company, the Mitchell Group and other shareholders are likely to be consistent in most cases, there may be instances where their respective interests diverge.

Litigation

Litigation risks to the Company include, but are not limited to, contractual claims, environmental claims, occupational health and safety claims, regulatory disputes, legal actions from special interest groups, as well as third party damage or losses resulting from drilling actions. The Company is not currently involved in any disputes and is not aware of any circumstances which could give rise to any claims or disputes.

General risks

Other than the specific risks identified above, the price at which the Company's shares trade on the ASX may be determined by a range of factors, including inflation, interest rates and exchange rates, changes to government policy, legislation or regulation, the nature of competition in the markets in which the Company operates, inclusion or removal from major market indices and other general operational and business risks. The market for Company shares may also be affected by a wide variety of events and factors, including variations in the Company's operating results, recommendations by securities analysts, and the operating and trading price performance of other comparable listed entities. Some of these factors could affect the Company's share price regardless of the Company's underlying operating performance.

* This assumes 100% take up, tranche C (49,350,000) and D (49,350,000) options and 3.5/5ths of the 1st year interest shares (20,000,000).

ASX RELEASE

9 June 2015

Acquisition of Nitro Drilling's assets and fully underwritten Entitlement Offer

Key Points

- The acquisition of the assets of Nitro Drilling Pty Limited (in receivership) (**Nitro**) for \$16.1 million will strengthen Mitchell Services' position as a leading provider in the Eastern States' drilling market
- The acquisition will be funded by a combination of:
 - \$8.5 million debt facility provided by major shareholders, Mitchell Group and Washington H. Soul Pattinson & Company; and
 - \$8.67 million fully underwritten non-renounceable Entitlement Offer of 4 new shares for 7 existing shares at an offer price of \$0.0175 per share

Acquisition of Nitro assets for \$16.1 million

Mitchell Services Limited (ASX Code: MSV) has entered into an agreement to acquire the drilling rigs and associated assets of Nitro for \$16.1 million (**Acquisition**), positioning the Company for continued growth as a leading provider of drilling services within Eastern Australia.

The Nitro assets include 25 drilling rigs, including 20 Tier 1 rigs, 3 grouting units and an extensive array of other support equipment and inventory.

Executive Chairman of Mitchell Services Mr Nathan Mitchell said that the acquisition of the Nitro assets would consolidate Mitchell Services' position as a leading provider in the Eastern States drilling market, following the 2014 acquisition of the assets of Tom Browne Drilling Services.

"Following this attractive acquisition, Mitchell Services will have the largest modern fleet of its kind in Eastern Australia and one of the larger fleets in Australia. This will strengthen our ability to deliver on our vision of being Australia's leading provider of drilling services to the global exploration, mining and energy industries" Mr Mitchell said.

Mr Mitchell said that the acquisition would provide capacity to fulfil Mitchell Services' strong tender pipeline for Tier 1 contracts.

"The competitive landscape is improving and barriers to entry for new competitors have continued to increase," he said.

Mitchell Services Chief Executive Officer Mr Andrew Elf said that the attractive acquisition pricing represents a significant opportunity to drive shareholder returns and that the replacement value of the assets is circa \$84 million based on data received by Mitchell Services.

"After a period of market consolidation, Nitro possibly presents one of the last opportunities to purchase a significant pool of assets and inventory at a significant discount to new pricing."

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The Acquisition of the Nitro assets for \$16.1 million (excluding GST) is expected to settle in July 2015 following completion of the Entitlement Offer.

Entitlement Offer - \$8.67 million

Mitchell Services intends to conduct a \$8.67 million equity raising through a 4 for 7 pro rata non-renounceable entitlement offer of fully paid ordinary shares in Mitchell Services (**New Shares**) (**Entitlement Offer**).

The offer price for the Equity Raising will be \$0.0175 per share which represents:

- a 30% discount to the last traded price of Mitchell Services shares (being \$0.025 on 3 June 2015);
- a 24.4% discount to the 1 week VWAP of Mitchell Services shares of \$0.0232 per share;
- a 24.3% discount to the 1 month VWAP of Mitchell Services of \$0.0231 per share; and
- a 21.5% discount to the theoretical ex-rights price (TERP)¹.

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 7.00 pm (AEST) on 15 June 2015 (**Record Date**) at the offer price (**Entitlements**).

Mitchell Services' major shareholder, the Mitchell Group (with a current shareholding of approximately 19.98%) has committed to taking up its full Entitlement under the Entitlement Offer.

Mitchell Group and another major shareholder, Washington H. Soul Pattinson & Company Limited (**Soul Pattinson**) will also provide debt facilities to the Company to fund the remainder of the Acquisition purchase price (detailed further below).

The Entitlement Offer is fully underwritten by Morgans Corporate Limited.

Debt facilities - \$8.5 million

The remainder of the Acquisition costs will be funded by way of debt financing in the amount of approximately \$8.5 million provided by Mitchell Group² and Soul Pattinson.

It is proposed that the debt facilities provided by Mitchell Group and Soul Pattinson will be secured by a charge over the Nitro assets. It is also intended that interest on the loans for the first two years of the five year term will be paid by the issue to the lenders of further New Shares (with Year 1 interest paid in Shares with an issue price of \$0.0175, and Year 2 interest paid in Shares with an issue price equal to the volume weighted average price for the 30 trading days prior to the issue of the Shares). Given that Mitchell Group is a related party of Mitchell Services, the security arrangements for the Mitchell Group loan and the issue of New Shares to satisfy interest payments on that loan are subject to shareholder approval.

¹ The theoretical ex-rights price of \$0.0223 is calculated using Mitchell Services' closing price on 3 June 2015 assuming proceeds from the Entitlement Offer of \$8.67 million. TERP is the theoretical price at which shares should trade immediately after the ex-date for the Entitlement Offer assuming 100% take-up of the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to the TERP.

² The lender under the facility is Mitchell Family Investments (Qld) as trustee for the Mitchell Family Investment Trust

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Top up facility

The Entitlement Offer will include a top up facility under which eligible shareholders who take up their full Entitlement will be invited to apply for additional shares in the Entitlement Offer from a pool of those not taken up by other eligible shareholders. There is no guarantee that applicants under this top up facility will receive all or any of the shares they apply for under the facility.

Key dates

Activity	Date
Trading halt	4 June 2015
Announcement of the Entitlement Offer	9 June 2015
Record Date for Entitlement Offer (7.00pm AEST)	15 June 2015
Information Booklet and Entitlement and Acceptance Form despatched	16 June 2015
Entitlement Offer opens	16 June 2015
Closing date for acceptances under Entitlement Offer (5.00pm AEST)	25 June 2015
Allotment of New Shares under the Entitlement Offer	2 July 2015
Despatch of holding statements for New Shares issued under the Entitlement Offer	2 July 2015
Normal ASX trading for New Shares issued under the Entitlement Offer commences	2 July 2015

More information

The Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their Entitlements will not receive any value for those Entitlements that they do not take up. Shareholders who are not eligible to receive Entitlements will not receive any value for the Entitlements they would have received had they been eligible.

New Shares issued under the Equity Raising will rank equally with existing shares.

Mitchell Services will notify shareholders as to whether they are eligible to participate in the Entitlement Offer.

Eligible shareholders will receive an information booklet including a personalised entitlement and acceptance form which will provide further details of how to participate in the Entitlement Offer. Mitchell Services will also notify each holder of options about the Entitlement Offer.

A presentation on the Equity Raising has been lodged with ASX today and is able to be downloaded from ASX's website, www.asx.com.au.

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For more information, contact:

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Important information

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any other jurisdiction in which such an offer would be illegal. The securities referred to in this document have not been and will not be registered under the United States Securities Act of 1933 (the 'US Securities Act'), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States, unless the securities have been registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available.

This document may not be distributed or released in the United States.

This announcement contains certain 'forward-looking statements' within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as 'may,' 'should,' 'expect,' 'anticipate,' 'estimate,' 'scheduled' or 'continue' or the negative version of them or comparable terminology. Any forecasts or other forward looking statements contained in this announcement are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. Mitchell Services does not give any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur and you are cautioned not to place undue reliance on forward-looking statements.

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ASX RELEASE

9 June 2015

Revised offer price - fully underwritten Entitlement Offer

Mitchell Services Limited (ASX Code: MSV) (**Company**) announced earlier today that it intends to conduct an equity raising through a 4 for 7 pro rata non-renounceable entitlement offer of fully paid ordinary shares in the Company (**Entitlement Offer**), to partially fund the acquisition of drilling rigs and associated assets of Nitro Drilling Pty Limited (in receivership) (**Acquisition**).

After discussions with ASX today, the Company has elected to reduce the offer price for the Entitlement Offer from \$0.0175 to \$0.0170 in order to ensure that the offer price can be entered in the ASX trading platform in compliance with the ASX Operating Rules.

The ASX Operating Rules require the minimum bid price multiple for securities trading below 10 cents be 0.1 cents. On that basis, the Company has reduced the offer price by \$0.0005 to \$0.0170 per share.

The revised offer price for the Entitlement Offer of \$0.017 per share represents:

- a 32% discount to the last traded price of Mitchell Services shares before the offer was announced (being \$0.025 on 3 June 2015);
- a 26.7% discount to the 1 week VWAP of Mitchell Services shares of \$0.0232 per share;
- a 26.4% discount to the 1 month VWAP of Mitchell Services of \$0.0231 per share; and
- a 23.08% discount to the theoretical ex-rights price (TERP)¹.

As a result of the revised offer price, the total amount raised under the Entitlement Offer will be reduced by approximately \$250,000 from \$8.67 million to \$8.42 million.

The reduction in the gross proceeds raised does not affect the Company's ability to complete the Acquisition and the Entitlement Offer remains fully underwritten.

The Company will shortly be re-issuing the offer documentation in connection with the Entitlement Offer which was lodged with ASX earlier today and the timetable will be revised as follows:

¹ The theoretical ex-rights price of \$0.0221 is calculated using Mitchell Services' closing price on 3 June 2015 assuming proceeds from the Entitlement Offer of \$8.42 million. TERP is the theoretical price at which shares should trade immediately after the ex-date for the Entitlement Offer assuming 100% take-up of the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to the TERP.

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Revised 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
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	3 July 2015

For more information, contact:

Andrew Elf – Chief Executive Officer Telephone +617 3722 7222

Important information

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any other jurisdiction in which such an offer would be illegal. The securities referred to in this document have not been and will not be registered under the United States Securities Act of 1933 (the 'US Securities Act'), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States, unless the securities have been registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available.

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This announcement contains certain 'forward-looking statements' within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as 'may,' 'should,' 'expect,' 'anticipate,' 'estimate,' 'scheduled' or 'continue' or the negative version of them or comparable terminology. Any forecasts or other forward looking statements contained in this announcement are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. Mitchell Services does not give any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur and you are cautioned not to place undue reliance on forward-looking statements.

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3 How to apply

3.1 Shareholder's choices

The number of New Shares to which Eligible Shareholders are entitled under the Entitlement Offer (i.e. their Entitlement) is shown on the accompanying Entitlement and Acceptance Form. Eligible Shareholders may:

- (a) take up their Entitlement in full and, if they do so, they may apply for additional New Shares under the Top Up Facility (refer to section 3.2);
- (b) take up part of their Entitlement, in which case the balance of the Entitlement lapses (refer to section 3.3); or
- (c) allow their Entitlement to lapse (refer to section 3.4).

Ineligible Shareholders may not take up any of their Entitlements.

Mitchell Services reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date.

The Closing Date for acceptance of the Entitlement Offer is **5.00pm (AEST) on Friday, 26 June 2015**, however that date may be varied by Mitchell Services, in accordance with the Listing Rules and the Underwriting Agreement.

3.2 Taking up all of your Entitlement and participating in the Top Up Facility

If you wish to take up your Entitlement in full, follow the instructions set out in the Entitlement and Acceptance Form.

If you have applied to take up all of your Entitlement, you may also apply for additional New Shares under the Top Up Facility.

Please return your completed Entitlement and Acceptance Form together with your Application Monies in accordance with section 3.6 for the amount shown on the Entitlement and Acceptance Form to the Share Registry so that it is received no later than **5.00pm (AEST) on Friday, 26 June 2015** at the address set out below:

Mitchell Services Limited
C/- Advanced Share Registry Limited
PO Box 1156, Nedlands WA 6909

You may also take up all of your Entitlement by payment of the Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form. If payment is being made through BPAY, you do not need to return the Entitlement and Acceptance Form. Your payment must be received by no later than **5.00pm (AEST) on Friday, 26 June 2015**.

If you do not return the Entitlement and Acceptance Form, amounts received by Mitchell Services in excess of the Issue Price multiplied by your Entitlement (**Excess Amount**) may be treated as an application to apply for as many additional New Shares under the Top Up Facility as your Excess Amount will pay for in full.

If you apply for additional New Shares under the Top Up Facility and your application is successful (in whole or in part) your New Shares will be issued at the same time that other New Shares are issued under the Entitlement Offer. There is no guarantee you will receive any New Shares under the Top Up Facility. The Directors reserve their right to allot and issue New Shares under the Top Up Facility at their discretion.

Refund amounts, if any, will be paid in Australian dollars. You will be paid either by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders), or by direct credit to the nominated bank account as noted on the share register as at the closing date of the offer.

If you wish to advise or change your banking instructions with the Share Registry you may do so by going to www.advancedshare.com.au and following the instructions.

3.3 Taking up part of your Entitlement and allowing the balance to lapse

If you wish to take up part of your Entitlement, complete the Entitlement and Acceptance Form for the number of New Shares you wish to take up and follow the other steps required under section 3.

You may arrange for payment through BPAY in accordance with the instructions on the Entitlement and Acceptance Form. If payment is made through BPAY and Mitchell Services receives an amount that is less than the Issue Price multiplied by your Entitlement (**Reduced Amount**), your payment may be treated as an application for as many New Shares as your Reduced Amount will pay for in full.

3.4 Allow your Entitlement to lapse

If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse.

3.5 Consequences of not accepting your Entitlement

If you do not accept all of your Entitlement in accordance with the instructions set out above, any New Shares that you would have otherwise been entitled to under the Entitlement Offer (or New Shares that relate to the portion of your Entitlement that has not been accepted) may be acquired by the Underwriter or under the Top Up Facility.

3.6 Payment

The consideration for the New Shares (including under the Top Up Facility) is payable in full on application by a payment of \$0.017 per New Share. The Entitlement and Acceptance Form must be accompanied by a cheque for the Application Monies. Cheques must be drawn in Australian currency on an Australian bank and made payable to '**Mitchell Services Limited – Entitlement Offer**' and crossed 'Not Negotiable'.

Alternatively, you may arrange for payment of the Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form.

Eligible Shareholders must not forward cash by mail. Receipts for payment will not be issued.

3.7 Entitlement and Acceptance Form is binding

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY, constitutes a binding offer to acquire New Shares on the terms of this Information Booklet and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid Application for New Shares. The Directors' (or their delegates') decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies or making a payment by BPAY, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you are an Eligible Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Entitlement Offer;
- (b) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended, or under the laws of any other jurisdiction outside Australia or New Zealand; and
- (c) you have not and will not send any materials relating to the Entitlement Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States.

3.8 Brokerage and Stamp Duty

No brokerage fee is payable by Eligible Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for New Shares under the Entitlement Offer.

3.9 Notice to Nominees and Custodians

Nominees and custodians may not distribute any part of this Information Booklet or any Entitlement and Acceptance Form in any country outside Australia, except to beneficial holders of Shares in New Zealand, and beneficial holders of Shares who are institutional or professional investors in other countries that Mitchell Services has approved as being a country in which investors are eligible to participate, as well as any other country to the extent Mitchell Services may determine it is lawful and practical to make the Entitlement Offer.

4 Definitions

These definitions are provided to assist the understanding some of the expressions used in this Information Booklet.

\$ means Australian dollars.

Acquisition means the acquisition of assets from the receivers of Nitro Drilling Pty Limited (Receivers and Managers Appointed) (In Liquidation) ACN 100 536 561.

AEST means Australian Eastern Standard Time.

Applicant means an Eligible Shareholder who has applied to subscribe for New Shares by submitting an Entitlement and Acceptance Form or has arranged for payment through BPAY in accordance with the instructions on the Entitlement and Acceptance Form.

Application means the submission of an Entitlement and Acceptance Form accompanied by the relevant Application Monies or arranging for payment of the relevant Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form.

Application Monies means the aggregate amount of money payable for the New Shares applied for in a duly completed Entitlement and Acceptance Form or through BPAY.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).

Business Day means a business day as defined in the Listing Rules.

Closing Date means Friday, 26 June 2015, the day the Entitlement Offer closes, or any other date that the Directors in their absolute discretion determine, subject to the Listing Rules.

Corporations Act means *Corporations Act 2001* (Cth).

Directors means the directors of Mitchell Services.

Eligible Shareholder has the meaning set out in section 1.6.

Entitlement means the right to subscribe for New Shares under the Entitlement Offer.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Information Booklet.

Entitlement Offer means the pro rata non-renounceable offer to Eligible Shareholders to subscribe for 4 New Shares for every 7 Shares of which the Shareholder is the registered holder on the Record Date, at the Issue Price under this Information Booklet.

Existing Shares means the Shares already on issue in Mitchell Services as at the Record Date.

Ineligible Shareholder means a Shareholder (or beneficial holder of Shares) on the Record Date with a registered address outside Australia, New Zealand or any other jurisdiction that Mitchell Services and the Underwriter agree to which ASX Listing Rule 7.7.1(a) applies.

Information Booklet means this document.

Investor Presentation means the presentation to investors, in section 2 of this Information Booklet.

Issue Price means \$0.017 per New Share.

Lead Manager means Morgans Corporate Limited ABN 32 010 539 607.

Listing Rules means the official listing rules of ASX.

Mitchell Group means Mitchell Group Holdings Pty Ltd as trustee for the Andala Trust, Mitchell Family Investments (QLD) Pty Ltd as trustee for the Mitchell Family Investment Trust, Nathan Mitchell, Rebecca Mitchell, Deidre Mitchell and Peter Mitchell as trustees of the Mitchell Family Superannuation Fund, Nathan Mitchell, Constellation Energy Pty Ltd and Aquaknox Pty Ltd.

Mitchell Services means Mitchell Services Limited ACN 149 206 333.

New Shares means Shares to be allotted and issued under the Entitlement Offer, including (as the context requires) the shortfall from the Entitlement Offer issued under the Top Up Facility or to the Underwriter.

Record Date means 7.00pm AEST on 16 June 2015.

Shareholders mean holders of Shares.

Shares means fully paid ordinary shares in the capital of Mitchell Services.

Share Registry means Advanced Share Registry Services.

Shortfall Shares means those New Shares not taken up by Eligible Shareholders under the Entitlement Offer, together with those New Shares to which any Ineligible Shareholders would otherwise have been entitled.

TERP means the theoretical price at which the Shares should trade immediately after the ex-date of the Entitlement Offer assuming 100% take up of the Entitlement Offer.

Top Up Facility means the facility described in section 1.3 under which certain Eligible Shareholders may apply for New Shares in excess of their Entitlement.

Top Up Shares means extra Shares an Eligible Shareholder may apply for in excess of their Entitlement under the Top Up Facility.

Underwriter means Morgans Corporate Limited ABN 32 010 539 607.

Underwriting Agreement means the underwriting agreement between Mitchell Services and the Underwriter in respect of the Entitlement Offer.

5 Corporate Directory

Company

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Directors

Mr Nathan Mitchell	Executive Chairman
Mr Peter Miller	Non-Executive Director
Mr Robert Douglas	Non Executive Director
Mr Grant Moyle	Alternate Director

Company Secretary

Mr Greg Switala

Share Registry

Advanced Share Registry Services
110 Stirling Highway
NEDLANDS WA 6009
Phone:
Within Australia: 08 9389 8033
Outside Australia: +61 8 9389 8033
www.advancedshare.com.au

Underwriter

Morgans Corporate Limited
ABN 32 010 539 607
Level 29, Riverside Centre
123 Eagle Street
BRISBANE QLD 4000
www.morgans.com.au

Lawyers

McCullough Robertson Lawyers
Level 11, 66 Eagle Street
BRISBANE QLD 4000
Tel: 07 3233 8888
www.mccullough.com.au

MITCHELL SERVICES LIMITED

ACN 149 206 333

ENTITLEMENT AND ACCEPTANCE FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCKBROKER OR LICENSED PROFESSIONAL ADVISER.

Sub-Register	
HIN / SRN	
Number of Eligible Shares held as at the Record Date, 7.00pm AEST 16 June 2015:	
Entitlement to New Shares on 4 Shares for every 7 Shares held basis:	
Amount payable on full acceptance at \$0.017 per New Share:	

A non-renounceable pro-rata entitlement issue of up to approximately 495.4 million New Shares at an issue price of \$0.017 per Share on the basis of 4 Shares for every 7 Shares held at the Record Date, to raise up to approximately \$8.42 million before expenses.

NON-RENOUNCEABLE ENTITLEMENT ISSUE CLOSING 5.00PM AEST ON 26 JUNE 2015.

To the Directors

MITCHELL SERVICES LIMITED

- I/We the above mentioned, being registered on 16 June 2015 as the holder(s) of ordinary shares in your Company hereby accept the below mentioned New Shares in accordance with the enclosed Information Booklet;
- I/We hereby authorise you to place my/our name(s) on the register of shareholders in respect of the number of New Shares allotted to me/us and;
- I/We agree to be bound by the Constitution of the Company.

ENTITLEMENT			
(A)	(B)	(C)=(A)+(B)	Total
Number of New Shares applied for <i>(being not more than the Entitlement shown above)</i>	Number of additional New Shares applied for <i>(in excess of the entitlement shown above)</i>	Total New Shares applied for	Amount Payable (C) * \$0.017
			\$

METHOD OF ACCEPTANCE					
You can apply for New Shares and make your payment utilising either cheque/bank draft or BPAY® (further details overleaf). Please indicate which payment option you have chosen by marking the relevant box below.					
☐	Please enter cheque or bank draft details	Drawer	Bank	Branch	Amount
					\$
OR					
☐			You can pay by BPAY®. If you choose to pay by BPAY®, you do not need to return this Entitlement and Acceptance Form. Please refer overleaf for details.		

CONTACT DETAILS	
Name:	
Telephone:	
Email:	

NOTE: Cheques should be made payable to "Mitchell Services Limited – Entitlement Offer", crossed "NOT NEGOTIABLE" and forwarded to Advanced Share Registry Ltd, PO Box 1156, Nedlands, Western Australia 6909 to arrive no later than 5.00pm (AEST) on **26 JUNE 2015**.

PLEASE REFER OVERLEAF FOR INSTRUCTIONS

MITCHELL SERVICES LIMITED

REGISTERED OFFICE: 112 Bluestone Circuit, Seventeen Mile Rocks, QLD 4073
SHARE REGISTRY: Advanced Share Registry Ltd, 110 Stirling Highway, Nedlands, Western Australia 6009

EXPLANATION OF ENTITLEMENT

1. The front of this form sets out the number of New Shares which you are entitled to accept.
2. Your Entitlement may be accepted either in full or in part. There is no minimum acceptance.
3. The price payable on acceptance of each New Share is \$0.017.
4. Please complete the Entitlement and Acceptance Form overleaf.

APPLICATION INSTRUCTIONS

Payment Details

You can apply for New Shares by utilising the payment options detailed below. There is no requirement to return this Entitlement and Acceptance Form if you are paying by BPAY®. By making your payment using either BPAY® or by cheque/bank draft, you confirm that you agree to all of the terms and conditions of the Mitchell Services Entitlement Offer as outlined on this Entitlement and Acceptance Form and within the accompanying Information Booklet.

Your cheque/bank draft should be made payable to **"Mitchell Services Limited – Entitlement Offer"** in Australian currency, crossed **"Not Negotiable"** and drawn on an Australian branch of a financial institution. Please complete cheque/bank draft details overleaf and ensure that you submit the correct amount as incorrect payments may result in your Application being rejected.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s)/bank draft(s) to the Entitlement and Acceptance Form. Cash will not be accepted. A receipt for payment will not be forwarded.

If the amount you pay is insufficient to pay for the number of New Shares you apply for, you will be taken to have applied for such lower number of New Shares as that amount will pay for, or your Application will be rejected. If the amount you pay is more than the amount payable for your full Entitlement, you will be taken to have applied for the maximum number of New Shares you are entitled to apply for. The excess money will be considered as your payment for an Application for additional New Shares under the Top Up Facility.

Contact Details

Please enter your contact details where requested overleaf. These details will only be used in the event that the Share Registry has a query regarding this Entitlement and Acceptance Form.

Lodgement of Application

If you are applying for New Shares and your payment is being made by BPAY®, you do not need to return this Entitlement and Acceptance Form however you are encouraged to return it to the Share Registry for reconciliation purposes – in that case you can post or send by facsimile (details below). Your payment must be received by no later than 5.00pm AEST on 26 June 2015. Applicants should be aware that their own financial institution may implement earlier cut off times with regard to electronic payment and should therefore take this into consideration when making payment. It is the responsibility of the Applicant to ensure that funds submitted through BPAY® are received by this time.

If you are paying by cheque/bank draft, your Application must be received by the Share Registry by no later than 5.00pm AEST on 26 June 2015. You should allow sufficient time for this to occur. Please return your Entitlement and Acceptance Form with cheque/bank draft attached.

Neither the Share Registry nor the Company accepts any responsibility if you lodge the Entitlement and Acceptance Form at any other address or by any other means.

Privacy Statement

Personal information is collected on this form by the Share Registry, as registrar for the securities' issuer, for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to the Share Registry's related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by the Share Registry, or you would like to correct information that is inaccurate, incorrect or out of date, please contact the Share Registry. In accordance with the Corporations Act, you may be sent material (including marketing material) approved by the securities' issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting the Share Registry, using the details provided on this form.

If you have any enquiries concerning this Entitlement and Acceptance Form, please contact the Share Registry on telephone +61 8 9389 8033 or fax +61 8 9262 3723.



Telephone & Internet Banking – BPAY®

Call your bank, credit union or building society to make this payment from your cheque or savings account. More info: www.bpay.com.au.

By Mail

Mitchell Services Limited
c/- Advanced Share Registry Ltd
PO Box 1156
Nedlands WA 6909

or

Hand Delivered

110 Stirling Highway
Nedlands WA 6009