

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 notices to ineligible shareholders**

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

Yours faithfully



Greg Switala
Company Secretary
Mitchell Services Limited

Mitchell Services Limited
ABN 31 149 206 333

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Dear Shareholder

Mitchell Services Entitlement Offer – notice to ineligible shareholders

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

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

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

Terms of the Entitlement Offer

Under the Entitlement Offer, Eligible Shareholders (defined below) will be invited to subscribe for 4 New Shares for every 7 existing Mitchell Services ordinary shares held at 7.00 pm (AEST) on Tuesday, 16 June 2015 (**Record Date**) at an offer price of \$0.017 per New Share (**Entitlement**).

Documents relating to the Entitlement Offer were lodged with ASX on 9 June 2015 and are being mailed to Eligible Shareholders.

Eligibility of shareholders to participate in the Entitlement Offer

Mitchell Services has determined, under ASX Listing Rule 7.7.1(a) and section 9A(3) Corporations Act, that it would be unreasonable to make offers to shareholders in all countries in connection with the Entitlement Offer. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3)(b) Corporations Act, this letter is to inform you that Mitchell Services has determined that you are not an Eligible Shareholder and therefore are ineligible to apply for New Shares under the Entitlement Offer.

You are not required to do anything in response to this letter.

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

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

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As you do not satisfy the criteria for eligibility, Mitchell Services is unfortunately unable to extend the Entitlement Offer to you.

New Shares equivalent to the number of New Shares you would have been entitled to if you were an Eligible Shareholder will be allocated to Eligible Shareholders who subscribe for New Shares in excess of their entitlement under the Entitlement Offer or in accordance with the underwriting agreement.

The Entitlement Offer is non-renounceable. Accordingly, Entitlements do not trade on the ASX nor will you will receive any payment or value for your Entitlement or in respect of any New Shares that would have been offered to you if you were eligible.

Further information

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

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



Nathan Mitchell
Executive Chairman
Mitchell Services Limited

Important information

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