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Strategic Funding Agreement with LIM Advisors, Appointment of an Independent Chairman & Strategic Review

E&A Limited is pleased to announce that it has entered into a Funding Agreement with LIM Opportunistic Credit Master Fund, a fund managed by LIM Advisors Limited ("LIM Advisors"), to provide a secured convertible loan facility of up to US\$10 million with equity conversion rights. This convertible loan facility is able to be drawn in two advances. The initial advance of US\$6 million will be drawn immediately.

The Loan will provide E&A Limited with the funding necessary to maximise the recovery of its outstanding contract claims and support the working capital requirements of E&A Limited businesses.

Mr Stephen Young said "the loan facility will provide E&A Limited with financial flexibility as we continue to resolve the outstanding contract claims."

"Whilst E&A Limited has made significant progress in the resolution of its contract claims to date, we are now in a stronger position to maximise the recovery value of these claims."

Mr Young advised that he was pleased to be collaborating with LIM Advisors who are looking to increase their exposure to Australian mining services businesses.

The term of the convertible loan is 24 months and E&A Limited is able to make early repayments as it resolves its contract claims.

LIM Opportunistic Credit Master Fund has the right to convert the initial US\$6 million loan plus capitalised interest to E&A Limited shares at 18 cents. In the event E&A Limited draws down on the standby facility of US\$4 million, LIM also has the right to convert the standby loan facility plus capitalised interest at 25 cents. In respect of both advances, these conversion rights apply at any time up to 30 September 2016 and are available thereafter at the time of any repayment by E&A Limited, including the repayment of the remaining balance at the conclusion of the loans.

E&A Limited ABN 22 088 588 425

Level 27 91 King William Street Adelaide South Australia 5000 Telephone: (08) 8212 2939
www.ealimited.com.au

E&A Limited continues to work closely and constructively with the primary senior debt holder, the National Australia Bank (NAB). E&A Limited acknowledges the continued support of NAB throughout this process and the resolution of its outstanding contract claims.

The key terms of the convertible loan facility are:

- **Amount:** Convertible loan facility of up to US\$10 million with drawdowns of:
 - US\$6 million initial advance facility; and
 - US\$4 million standby advance facility
- **Term:** 24 months
- **Interest Rate:** 10% p.a. payable quarterly in arrears and 10% p.a. capitalised onto the principal loan on a quarterly in arrears basis payable on the earlier of prepayment or expiry.
- **Security:** Second ranking general security over EAL and its subsidiaries, second ranking real property mortgage over land of E&A Group's Whyalla facility.
- **Conversion:** Conversion of the initial US\$6 million loan plus capitalised interest to E&A Limited shares at 18 cents. In the event E&A Limited draws down on the standby facility of US\$4 million, LIM also has the right to convert the standby loan facility plus capitalised interest at 25 cents. In respect of both advances, these conversion rights apply at any time up to 30 September 2016 and are available thereafter at the time of any repayment by E&A Limited, including the repayment of the remaining balance at the conclusion of the loans.

E&A Limited will call an Annual General Meeting in October 2015 at which time a resolution in regards to the issue of shares associated with the convertible note options under the LIM Advisors convertible loan facility will be tabled for a shareholders vote.

The E&A Limited Board of Directors intend to unanimously recommend a vote in favour of any such shareholder resolution, and the Executive Directors, Messrs Young and Vartuli, have entered into an agreement to vote in favour of this resolution.

Appointment of Mr John Nicholls to the Board & Strategic Review

In conjunction with the strategic funding agreement with LIM Opportunistic Credit Master Fund, E&A Limited is pleased to announce the appointment of Mr John Nicholls to the E&A Limited Board of Directors as Independent Chairman.

Mr Nicholls will oversee the Strategic Review of the Company with the assistance of PwC and the Board.

Mr Young will assume the role of Managing Director that will enable him to focus on the resolution of the outstanding contract claims and the delivery of the FY16 budget.

The change to the composition of the Board of Directors separates the roles of Chairman and Managing Director and meets the requirements of ASX Best Practise Corporate Governance Principles.

Mr Young welcomed the inclusion of Mr Nicholls to the E&A Limited Board and looked forward to his positive contribution to E&A Limited.

Mr Nicholls has over 30 years' experience as a Chairman, Director and Chief Executive of listed and private companies across the Asia Pacific with direct industry experience encompassing manufacturing, non-ferrous and ferrous fabrication, mining services and waste management including being chairman of ASX listed Brandrill Limited (a ASX mining services company).

Mr Nicholls holds a B.Comm and a M.B.A. from the University of New South Wales.

For further information:

Stephen Young

Managing Director

Ph: +61 8 8212 2939

About LIM Advisors

LIM Advisors Limited is an Asian-focused multi strategy investment group, founded in 1995 by George W. Long, originally under the name Long Investment Management Limited ("LIM"). LIM is based in Hong Kong and has wide regional coverage, with additional research offices in Tokyo, Beijing and London. LIM has extensive investment expertise across the region and has been investing in credit and equities since the firm's inception.