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ASX Announcement
THO SERVICES LIMITED (ASX code: THO)
ACN 000 263 678
(Administrators appointed)
(the Company)

16 March 2016

As previously advised, Paul Gerard Weston and Geoffrey Trent Hancock were appointed Joint and Several Administrators of the Company on 25 January 2016, in accordance with Section 436A of the Corporations Act 2001.

In the Directors' report contained within the Company's Annual Report for the year ended 30 June 2015, the directors' advise that *"in August 2015, the Company received a very large defect claim from the Federal Government regarding a contract signed in 2008 and work completed in 2009..." (Defence Claim).*

The Company notified two of its insurers in respect of the Defence Claim, being Liberty Mutual Insurance Company (**Liberty**), in relation to Professional Indemnity (**PI**), and QBE Global Casualty (**QBE**), in relation to Public and Products Liability (**PPL**).

On 15 September 2015, Liberty informed the Company that cover is not available under the PI policy for at least 97 per cent of the Defence Claim.

On 11 March 2016, the solicitor acting for QBE advised that, due to exclusions under the PPL policy, there is no cover available to the Company in relation to the Defence Claim.

The Defence Claim is subject to ongoing arbitration, which is being conducted through the International Arbitration Court. However, the arbitration is in its early stages and as such no determination has been made by the arbitrator as to the validity or quantum of the Defence Claim. To date the Company has defended the arbitration.

We intend to seek legal advice as to whether the Company should seek a review by the Court of QBE's decision.

Due to the recent development regarding the Company's insurance claim the Administrators have made an application to the Australian Securities and Investment Commission to obtain relief of up to 6 months from the Company's obligations to prepare and lodge audited half-yearly financial and director reports. The Administrators anticipate that the audited half-yearly financial and director reports will be finalised shortly.

For all further enquiries please contact Daniel Matta of Pitcher Partners on (02) 9228 2259 or email daniel.matta@pitcher.com.au.

Paul G Weston
Joint and Several Administrator