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## Acquisition of Waste Solutions (NT)

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27 April 2011

### ASX limited

- **Acquisition of Waste Solutions (NT) Pty Ltd based in Darwin, Northern Territory.**
- **Waste Solutions is one of the largest waste management companies servicing the Darwin region**
- **Acquisition of Waste Solutions will position Tox Free as “The Leading Waste Management Business within the Pilbara, Kimberley and Northern Territory regions of Australia”**
- **Waste Solutions is expected to contribute \$3,500,000 per annum EBITDA to the Tox Free group before any expansion of Tox Free existing services in the region**

The board of Tox Free Solutions Ltd (Tox Free) is pleased to announce it has entered into an agreement to acquire Waste Solutions (NT) Pty Ltd based in Darwin, Australia. The acquisition is subject to due diligence with completion expected to occur by 1 July 2011.

The purchase price for the Waste Solutions business is \$18 million, comprising \$10 million in cash and 3,832,904 fully paid ordinary shares in Tox Free. Waste Solutions is on target to achieve Earnings Before Interest, Taxes and Depreciation (EBITDA) of \$3,500,000 this year.

Waste Solutions is a leading provider of total waste management services in the Northern Territory, particularly Darwin. Services include solid waste management, liquid waste treatment and industrial and hazardous waste management.

Waste Solutions operate a liquid waste treatment plant and has a number of long term contracts serving the defence industry and the Territory’s largest private enterprises. Over half of Waste Solutions revenue is secured by annual or long term contracts.

There are a significant number of both operating and planned resource projects in the region including INPEX’s Ichthys project, Shell Prelude LNG, Woodside’s Sunrise and the Bonaparte Floating LNG as well as a number of exploration and production wells within the Joint Petroleum Development area. Capital expenditure within the oil and gas region of the North West Shelf, Browse and Timor Sea is estimated in excess of \$200 billion over the next 5 years, with LNG production to increase from 20 million tonne pa to over 90 million tonne per annum.<sup>1</sup>

There are also a number of mining operations in the region including Territory Resources Iron Ore, Ranger Uranium, Rio Tinto Alcan Gove Operations, McArthur River Mining and Newmont’s Tanami Gold Mine

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<sup>1</sup> Source: Wood Mackenzie 2011

# ANNOUNCEMENT

Tox Free is well positioned to provide total waste management and industrial services for the oil, gas and mining sector in the region through its operating divisions in Karratha, Port Hedland, Broome, Derby and now Darwin.

Mr Greg Smith, of the Managing Director of Waste Solutions, has over 30 years experience in the waste management industry in the Northern Territory and his expertise and industry knowledge will positively contribute to the growth opportunities for the Tox Free group. Greg will continue employment with Tox Free for a minimum term of two years.

The value of Waste Solutions assets is approximately \$4 million which are included in the sale price. Tox Free expect to improve the financial performance of the business through organic growth of the region, introduction of further services including industrial services and hazardous waste treatment and synergies with Tox Free's Kimberley and Pilbara facilities.

Tox Free is the dominant waste management provider in the North West Region providing industrial services, solid, liquid and hazardous waste management. Tox Free expects to significantly grow the services offered in the Darwin region in the medium term through its expertise in servicing the resource sector.

This is a significant acquisition for Tox Free that will further position the Group as a leading national provider of industrial and waste management services.

Yours faithfully



**STEVE GOSTLOW**  
*Managing Director*

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#### About Tox Free Solutions Ltd (ASX code: TOX)

Tox Free Solutions Ltd (Tox Free) is one of the largest integrated waste management, industrial service and environmental businesses in Australia.

The Company offers a full range of waste management services through its national network of licensed waste treatment facilities. In addition Tox Free are fast becoming the leaders in onsite industrial services, waste minimisation, resource recovery and total waste management services.

For more information please contact [s.gostlow@toxfree.com.au](mailto:s.gostlow@toxfree.com.au)

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