



MIRABELA NICKEL
LTD

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DEBT RATING LOWERED BY S&P

Perth, AUSTRALIA – 18 November 2013: Mirabela Nickel Limited (**Mirabela** or the **Company**) (ASX: MBN) wishes to advise that Standard and Poor's Ratings Services (**S&P**) lowered the Company's corporate credit rating from 'SD' to 'D'. The Company provides the attached Press Release from S&P.

CONTACT DETAILS

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Mirabela Nickel Ltd. Downgraded To 'D' After Standstill Agreements

MELBOURNE (Standard & Poor's) Nov. 15, 2013—Standard & Poor's Ratings Services said today that it has lowered its corporate credit rating on Australian nickel mining company Mirabela Nickel Ltd. to 'D' from 'SD'. The issue rating on the company's US\$395 million 8.75% notes remains at 'D', and the recovery rating of '4' remains unchanged.

"Today's lowering to 'D' follows Mirabela's announcement that it had entered into standstill agreements with its key creditors that have financing facilities with the company for about US\$454 million," Standard & Poor's credit analyst Thomas Jacquot said. "During the 60-day standstill period, Mirabela will not make any payment of interest or principal under its existing debt other than as specified."

This downgrade follows our previous lowering of the rating on Mirabela to 'SD' on Oct. 23, 2013, after the company had failed to pay its scheduled interest in that month under its US\$395 million notes. Following the missed interest payment, the company had a 30-day grace period that ended yesterday under its notes indenture, to remedy the nonpayment.

Mirabela's main creditors--comprising representatives of the noteholders, Banco Bradesco S.A., and Caterpillar Financial Services Corp.--have agreed not to enforce any rights they currently have for a period of up to 60 days. During the standstill period, Mirabela intends to restructure its debt, combined with a recapitalization.

"In our view, it is highly likely that the debt restructuring would be in the form of a distressed exchange because we believe the company would likely run out of cash by early 2014," said Mr. Jacquot. "During the third quarter of 2013, the company's cash balance reduced by about US\$30 million. If the company were to use its cash at a similar rate in the fourth quarter, and given the amounts outstanding under the notes together with a principal payment in January 2014, its cash reserves would likely be depleted by early 2014."

RELATED CRITERIA AND RESEARCH

- General Criteria: Timeliness of Payments: Grace Periods, Guarantees, And Use Of 'D' And 'SD' Ratings, Oct. 24, 2013
- 2008 Corporate Criteria: Analytical Methodology, April 15, 2008

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we offer a unique combination of global coverage and local insight. Our research and opinions about relative credit risk provide market participants with information and independent benchmarks that help to support the growth of transparent, liquid debt markets worldwide.

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