

ASX ANNOUNCEMENT**27 October 2014**

ASX Market Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

By electronic lodgement**McAleese Group divestment program on track**

McAleese Limited (ASX: MCS) (**McAleese Group** or the **Company**) today confirms that it has entered into a binding asset sale agreement for its Beta Fluid Systems, Inc (**Beta**) business based in Reidsville, North Carolina with an entity jointly owned by the current management of Beta and the German Alfons-Haar Group. The agreed cash consideration amounts to USD 5.5 million.

Divestment of the Beta business forms part of the Company's previously announced asset sale program which includes the recently sold Liquip International Pty Ltd (**Liquip**), the planned divestment of the Cloncurry Quarry and the sale of surplus Cootes Transport and Heavy Haulage & Lifting equipment.

The program is now expected to generate in excess of \$100 million in the first half of FY14, up from \$95 million previously announced to the market in August 2014.

The asset sale program has seen McAleese Group's net debt reduce to \$180 million in September from \$233 million at 30 June 2014. Completion of the program, including proceeds from the sale of Beta, will generate approximately \$25 million in Q2 of FY15 which will further reduce debt.

McAleese Group Managing Director and CEO, Mark Rowsthorn, reiterated the Company's commitment to its growth strategy in the medium term stating, "The higher than expected proceeds from the asset sale program combined with the successful implementation of our previously stated operational improvements further strengthen our financial and operational position and deleverage our balance sheet. Execution of these initiatives holds McAleese Group in good stead to capitalise on suitable growth and diversification opportunities as they arise."

Beta is a manufacturer of highly specialised aviation refuelling equipment and was previously a subsidiary of Liquip, which McAleese Group divested in August 2014. As previously announced, these businesses are non-core to the Company's future growth strategy.

McAleese Group and Alfons-Haar are working towards a completion date of 31 October 2014 for the transaction.

Ends

McAleese Group Communications & Investor Relations:

0477020337

investors@mcaleesegroup.com.auwww.mcaleese.com.au