



McGrathNicol

ASX ANNOUNCEMENT AND MEDIA RELEASE

29 August 2016

McAleese Limited (ASX: MCS)

Appointment of Voluntary Administrators

On 29 August 2016, Joseph Hayes, Jason Preston, Jamie Harris and Keith Crawford of McGrathNicol were appointed Voluntary Administrators ("the Administrators") of McAleese Limited ("MCS") and each of its wholly owned subsidiaries with the exception of Sunshine Refuellers Pty Ltd (together "the McAleese Group").

A listing of all of the entities over which the Administrators are appointed is provided at Annexure A.

Business overview

The McAleese Group is an Australian based provider of specialised transport and logistics solutions. MCS is a public company and is listed on the Australian Securities Exchange.

The McAleese Group includes four largely independent business units:

1. **Heavy Haulage and Lifting:** comprises McAleese Transport, National Crane Hire and Walter Wright Cranes and offers integrated heavy haulage, general freight and lifting solutions across Australia;
2. **Specialised Transport or WA Freight Group:** provides express transport services to and from all major capital cities both interstate and intrastate;
3. **Oil and Gas:** comprises two businesses, Cootes Transport and Refuel International. Cootes Transport distributes liquid fuels, chemicals, LPG and other petroleum products across Australia. Refuel International is a manufacturer of specialist fuel transfer equipment. Refuel International is owned by Sunshine Refuellers Pty Ltd an entity to which the Administrators have not been appointed; and
4. **Resources:** provides bulk haulage and ancillary onsite services to mining companies operating in the key resource producing regions of Western Australia. Resources also operates a quarry in Cloncurry, Queensland.

Recent events leading to appointment

On 7 June 2016, the McAleese Group entered into a binding agreement with its financiers in relation to a proposed recapitalisation, the objective of which was to create a sustainable capital structure for the McAleese Group. The details of the proposed recapitalisation are set out in the related ASX announcements dated 7 June 2016 and 16 August 2016.

The proposed recapitalisation was subject to two conditions being satisfied or waived prior to the expiration of forbearance arrangements extended by the McAleese Group's financiers. The Administrators have been advised that one of these conditions was not met or waived by the financiers. As a result, the McAleese Group's uncompromised senior debt and accrued interest became immediately due and payable. The McAleese Group's financiers declined to enter into any new forbearance arrangement and the directors of the McAleese Group formed the view that the group is either insolvent or likely to become insolvent and resolved to appoint the Administrators.

The Administrators understand that, consistent with earlier announcements, certain of the parties to the proposed recapitalisation (including the SC Lowy Consortium and the Rowsthorn Interests, as defined in the abovementioned announcements) remain contractually bound to implement an alternative transaction which reflects, in substance, the overall transaction contemplated by the proposed recapitalisation. Consistent with these arrangements, the Administrators expect to receive a Deed of Company Arrangement ("DOCA") or DOCAs proposal(s) from these parties shortly.



McGrathNicol

Immediate objectives

The Administrators intend to continue to operate all four business units in the short-term while they undertake an urgent financial and operational assessment on a business-by-business basis. The objective of the Administrators is to work closely with management, employees, suppliers and customers to keep operations running as smoothly as possible and to determine an appropriate strategy for each business unit.

To this end, the Administrators are in advanced negotiations with the McAleese Group's financiers in relation to a short term funding facility. This facility will provide working capital so that the Administrators can continue to trade the businesses and preserve their value pending receipt of DOCA proposals and/or exploration of alternative going concern transactions.

Cootes Transport sale process

A management led sale process was commenced for Cootes Transport (a business within the McAleese Group's Oil and Gas division) prior to the appointment of the Administrators. It is the Administrators' present intention to allow that process to continue.

First statutory meeting of creditors

A first statutory meeting of creditors must be held within eight business days of the appointment of administrators. This meeting of creditors will be convened for 8 September 2016. The purpose of the first meeting is to allow creditors to determine whether a committee of creditors should be appointed and to consider the appointment of an alternative administrator. Meeting notices setting out times and locations for the first meeting of creditors will be distributed to the McAleese Group's creditors over coming days.

Contact details and further information

Information will continue to be uploaded to the McGrathNicol website (www.mcgrathnicol.com) and the McAleese Group website (www.mcaleese.com.au).

For all further enquires please contact:

Creditor enquiries:

Link Market Services

Creditor Hotline

Ph: 1300 361 735

E: mcaleese@linkmarketservices.com.au

Media enquires:

Nick Owens

Sefiani Communications Group

0421 977 062

nowens@sefiani.com.au

Karen Dunnicliff

Sefiani Communications Group

0435 807 761

kdunnicliff@sefiani.com.au

Annexure A: McAleese Group – entities over which the Administrators are appointed

| Company name | ACN |
|--|-------------|
| McAleese Limited | 156 354 068 |
| McAleese Holdco Pty Ltd | 156 339 865 |
| Cootes Transport Group Pty Limited | 112 151 694 |
| McAleese Finance Pty Ltd | 156 099 204 |
| McAleese Investments Pty Ltd | 129 922 541 |
| Harbrew Pty. Limited | 010 601 788 |
| WAFL SPV Pty Ltd | 130 012 887 |
| IES DGM Pty Ltd | 112 151 809 |
| Spotswood Lessee Pty Limited | 112 151 729 |
| McAleese Resources Pty Ltd | 119 899 446 |
| International Energy Services Holdings Pty Limited | 112 063 779 |
| McAleese Subco Pty Ltd | 144 647 870 |
| Jetstyle Express Pty Ltd | 077 984 653 |
| International Energy Services Pty Limited | 112 063 877 |
| Walter Wright Cranes Pty Ltd | 135 952 162 |
| W.A. Freightlines Pty Ltd | 051 918 015 |
| International Energy Services Group Pty Limited | 112 499 573 |
| National Crane Hire Pty Ltd | 101 646 235 |
| Jolly's Transport Services Pty Ltd | 097 891 248 |
| National Crane Service & Repairs Pty Ltd | 091 998 560 |