

1 June 2016

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

By electronic lodgement

Update on Strategic Process and Voluntary Suspension

McAleese Limited (ASX: MCS) (**Company**) refers to its voluntary suspension from trading and recent announcements updating the market on its Strategic Process.

The Company, its current financiers and entities associated with Mark Rowsthorn have executed a binding Heads of Agreement which remains in escrow subject to the timely execution of the Heads of Agreement by the members of the SC Lowy Consortium. The Company was advised this morning that because of internal arrangements of the SC Lowy Consortium, the consortium members are not yet in a position to execute the Heads of Agreement.

There remains no certainty that the Heads of Agreement will become binding.

The Company expects to provide a further update on or before Monday, 6 June 2016.

Ends