

29 August 2016

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

**By electronic lodgement**

**Appointment of Voluntary Administrators**

McAleese Limited (ASX: MCS) (**McAleese** or the **Company**) today announces that Voluntary Administrators have been appointed to oversee the affairs of the Company and of those companies listed in the attached Schedule (together, the **McAleese Group**).

Joseph David Hayes, Jason Preston, William James Harris and Keith Alexander Crawford of McGrath Nicol have been appointed as joint and several Administrators for the McAleese Group.

As announced on 16 August 2016, the forbearance arrangements between McAleese and the SC Lowy Consortium would end if by Friday, 26 August 2016:

- the condition relating to securing a reduction in the McAleese group's annual real property rental costs from TTPH Pty Ltd (**TTPH Condition**) had not been satisfied and the members of the SC Lowy Consortium advised McAleese that the waiver of the condition precedent is not in their interests; or
- the condition relating to securing a waiver from Atlas Iron Limited (**Atlas**) of any right that Atlas may have to terminate its haulage contracts with the McAleese group as a result of the Recapitalisation had not been satisfied or waived by the Underwriter.

The TTPH Condition was not satisfied and the failure to meet that condition was not waived by the SC Lowy Consortium, ending the forbearance arrangements with the SC Lowy Consortium. As a result, McAleese's uncompromised senior debt and all accrued interest was immediately due and payable. The SC Lowy Consortium declined to enter into any new forbearance arrangement. This left the Board with no choice but to place the McAleese Group into voluntary administration in order to protect the interests of shareholders, creditors, employees, suppliers and other stakeholders.

The Recommending Directors (as defined in the notice of meeting dated 16 August 2016) are disappointed that despite having proposed the Recapitalisation, which provided shareholders with an opportunity to participate in a recapitalised McAleese with substantially less debt and which the independent expert considered to be in the best interests of shareholders, McAleese is now in voluntary administration and shareholders are highly unlikely to receive any value for their existing shares.

Notwithstanding the voluntary administration, McAleese understands that the SC Lowy Consortium and the Rowsthorn Interests will continue to seek to implement an alternative transaction which otherwise reflects, in substance, the overall transaction contemplated by the Recapitalisation.

**Ends**

**Schedule: 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