



Grant Thornton

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The Manager Companies
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

28 June 2017

Dear Sir/Madam

**ASX ANNOUNCEMENT: DELTA SBD LIMITED
ACN 127 894 893 (ASX: DSB)**

**DELTA SBD LIMITED ACN 127 894 893
DELTA MINING PTY LIMITED ACN 056 692 883
DELTA COAL MINING PTY LIMITED ACN 114 283 706
SBD SERVICES PTY LIMITED ACN 124 019 816**

**(ALL “ADMINISTRATORS APPOINTED”)
(Collectively “the Group”)**

I refer to the appointment of John McInerney and I as Joint and Several Administrators of the Companies on Wednesday, 31 May 2017.

Following is a brief update on the administration.

Sale Negotiations & Extention of Time to Hold Second Meeting

Shortly after our appointment we commenced a campaign to recapitalise and/ or sell the business and assets of the Group as a going concern.

We have been pleased with the response to our sale campaign and our negotiations with interested parties are ongoing. At this stage we expect that sale negotiations will be completed in the next few weeks.

As a result, we have sought and have been granted an extension of time by the Court to hold the second meeting of creditors of the Group.

At this stage we anticipate the second meeting of creditors will be convened within the next 4 weeks. Please note that the timing of the second meeting will be dependant on how our sale negotiations progress.

At the second meeting, creditors will determine the future of the companies in the Group. A notice of meeting and detailed report to creditors will be issued in relation to same ahead of the meeting.

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Court Order for Extension of Time

The Corporations Act 2001 (Cth) (Act) requires an administrator to convene a meeting of the Group's creditors within the convening period set by the Act. The convening period in this matter ends on 29 June 2017.

Section 439A(6) of the Act allows an administrator to apply to the court for an order that the convening period be extended. When the courts grant an order of this nature, it provides the administrators with additional time to consider the affairs of the company and to call a meeting of creditors to report their findings.

On 23 June 2017 the duly appointed committee of creditors were notified of the administrators intention to make an application to the court for an extension of the convening period, and did not object to this course of action.

Accordingly, an application to extend the convening period was filed in the Federal Court of NSW on 27 June 2017. On the same date, orders were made which had the effect of extending the convening period to 29 September 2017, preserving the ability for the administrators to call the meeting at any time during the convening period, if required. A copy of the orders can be accessed on our website via the below link:

https://www.grantthornton.com.au/globalassets/1.-member-firms/australian-website/creditors-documents/gtal_2017_delta---ext-convening-period-27-june-2017.pdf

Should you have any queries in relation to the above, please contact our office at creditors.deltasbd@au.gt.com.

Yours faithfully



Said Jahani
Joint and Several Administrator