



McGrathNicol

ASX ANNOUNCEMENT AND MEDIA RELEASE

11 November 2016

McAleese Limited (ASX: MCS)

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 "McAleese").

McAleese is an Australian based provider of specialised transport and logistics solutions. MCS is a public company and is listed on the Australian Securities Exchange. McAleese includes four largely independent business units, Heavy Haulage and Lifting, Specialised Transport or WA Freight Group, Oil and Gas and Resources.

Second meeting of creditors

The appointment of Administrators is an interim measure pending a review of the affairs of McAleese and a determination by the creditors as to the future of McAleese.

The future of McAleese will be considered by creditors at the second meeting of creditors. The options available to creditors include whether McAleese should be returned to their Directors; or enter into a Deed of Company Arrangement; or enter into liquidation.

As previously reported, the Federal Court of Australia extended the convening period for the second meeting of creditors of MCS and subsidiaries be up to 28 March 2017. The Court also ordered that the second meetings for MCS and its subsidiaries may be held, together or separately, at any time during the convening period.

Our current expectation is that the Administrators will convene the second meeting of creditors in December 2016 and the creditor meetings will be held concurrently for MCS and its subsidiaries.

We have received draft Deeds of Company Arrangement ("DOCAs") proposals from the Secured Creditors of McAleese. Any final DOCA proposal received will be compared against liquidation and all creditors will receive a detailed report regarding the affairs of McAleese before the second meeting of creditors, along with our recommendation on the options available to creditors.

Business unit update

Provided below is a summary of the four business units of McAleese:

Heavy Haulage and Lifting ("HH&L")

HH&L comprises McAleese Transport, National Crane Hire and Walter Wright Cranes and offers integrated heavy haulage, general freight and lifting solutions across Australia.

Following the appointment of the Administrators, a financial assessment of the HH&L business was undertaken on a depot-by-depot basis. Profitable depots located at Emerald, Newcastle, Rockhampton and Melbourne continue to trade well during the Administration period and are expected to be either be sold as going concerns or recapitalised through DOCAs, if approved by creditors.

All other HH&L depots were unprofitable and received no acceptable offers during the sale process. A decision was made to commence an orderly wind down of these depots.

GraysOnline has been engaged to manage the sale of the plant and equipment held by HH&L at these depots. The sale program commenced in November, with assets available for immediate sale and auctions phased over several weeks. Further details regarding sale program is available on the website of GraysOnline

<http://www.graysonline.com/content.aspx?block=mcaleese>.



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Specialised Transport or WA Freight Group ("ST")

ST provides express transport services to and from all major capital cities both interstate and intrastate.

A number of parties have expressed interest in ST and there is a prospect that ST will either be sold as going concern or recapitalised through a DOCA. Information is being provided to interested parties to allow those parties to consider and advance offers for the businesses operated by ST. In the meantime, a range of initiatives have been implemented to improve the financial performance of ST and its presentation to interested parties.

Once these sale and / or recapitalisation efforts have concluded, we will communicate the outcome to creditors.

Oil and Gas (O&G)

O&G comprises three businesses, Cootes Transport, Aviation refuelling and Refuel International. These businesses distribute fuels, LPG and other petroleum products, provide aviation refuelling services and manufacture specialist fuel transfer equipment.

A management led sale process was commenced for Cootes Transport prior to the appointment of the Administrators. The sale process continued during the Administration period. A number of trade players and customers have expressed interest in the O&G businesses.

Discussions with interested parties have been productive and we expect to complete transactions to allow the O&G businesses to continue as going concerns and / or be recapitalised through a DOCA.

Resources

Resources provides bulk haulage and ancillary onsite services to mining companies in Western Australia and also operates a quarry in Queensland.

Resources has continued to trade and has generated positive cash flow during the Administration period.

Some parties have expressed interested in these businesses and the sale process continues. The Administrators expect the Resources businesses will either be sold as a going concern or recapitalised through a DOCA.

Contact details and further information

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

For all further enquires please contact:

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