



Emeco Holdings Limited

ABN 89 112 188 815

0.3066 for 1 pro rata renounceable entitlement offer of Emeco ordinary shares at an offer price of A\$0.109 per New Share.

This offer closes at 5.00pm (Sydney time) on Monday, 10 April 2017.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This Offer Booklet requires your immediate attention. It is an important document which is accompanied by a personalised Entitlement and Acceptance Form and both should be read in their entirety. This Offer Booklet is not a prospectus under the *Corporations Act 2001 (Cth)* (**Corporations Act**) and has not been lodged with the Australian Securities & Investments Commission (**ASIC**). Please call your stockbroker, solicitor, accountant, financial adviser or other professional adviser or the Emeco Shareholder Information Line on 1300 420 709 (within Australia) or +61 1300 420 709 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday.

IMPORTANT NOTICE

Defined terms used in these important notices have the meaning given in this Offer Booklet.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES.

This Offer Booklet relates to the Entitlement Offer which is part of the Entitlement Offer by Emeco of New Shares to raise approximately \$20 million. The Entitlement Offer is being made in Australia pursuant to section 708AA of the Corporations Act 2001 (Cth) (**Corporations Act**) (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84, which allows entitlement offers to be made to investors without a prospectus).

As this offer is not being made under a prospectus, investment statement or product disclosure statement, it is important for Eligible Shareholders to read carefully and understand this Offer Booklet and the information about Emeco and the Entitlement Offer that is made publicly available. In particular, please refer to the materials in this Offer Booklet (including the Investor Presentation and ASX Announcements in Section 5, Emeco's annual reports and other announcements made available at www.emecogroup.com (including Emeco's 2016 Annual Report which was released to the ASX on 10 November 2016 and Emeco's half-yearly report which was released to the ASX on 28 February 2017) and announcements which may be made by Emeco after publication of this Offer Booklet.

Future performance and forward looking statements

This Offer Booklet contains certain "forward looking statements", including but not limited to projections and guidance on the future performance of Emeco and the outcome and effects of the Entitlement Offer and the Proposed Transaction. Forward looking statements can generally be identified by the use of forward looking words such as "expect", "anticipate", "likely", "intend", "propose", "should", "could", "may", "predict", "plan", "will", "believe", "forecast", "estimate", "target", "outlook", "guidance", "potential", and other similar expressions within the meaning of securities laws of applicable jurisdictions.

The forward looking statements contained in this Offer Booklet are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Emeco, its Directors and management, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the "Key Risks" section of the Emeco Investor Presentation included in Section 5 of this Offer Booklet for a summary of certain general and Emeco specific risk factors that may affect Emeco. There can be no assurance that actual outcomes will not differ materially from these forward looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including the risk factors included in the Emeco Investor Presentation included in Section 5 of this Offer Booklet. Investors should consider the forward looking statements contained in this Offer Booklet in light of those disclosures. The forward looking statements are based on information available to Emeco as at the date of this Offer Booklet.

Except as required by law or regulation (including the ASX Listing Rules), Emeco undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.

Past performance

Investors should note that past performance, including the past share price performance of Emeco and the pro forma historical information in the ASX announcements included in Section 5 of this Offer Booklet, is given for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guidance as to) future Emeco performance including future share price

performance. The pro forma historical information is not represented as being indicative of Emeco's views on its future financial condition and/or performance.

Jurisdictions

This Offer Booklet, the ASX announcements and the Entitlement and Acceptance Form, do not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. Neither this Offer Booklet nor the Entitlement and Acceptance Form may be distributed or released in the United States. Neither the entitlements to purchase New Shares pursuant to the offer described in this Offer Booklet nor the New Shares have been, or will be, registered under the US Securities Act of 1933, as amended (**US Securities Act**) or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be issued to, purchased by, or taken up or exercised by, and the New Shares may not be offered or sold to, persons in the United States or persons who are acting for the account or benefit of a person in the United States. Neither the Entitlements nor the New Shares may be offered, sold or resold in the United States or to persons acting for the account or benefit of a person in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction in the United States. The Entitlements and the New Shares in the Entitlement Offer will be sold only in "offshore transactions" (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the U.S. Securities Act.

References to "you" and "your Entitlement"

In this Offer Booklet, references to "you" are references to Eligible Shareholders (as defined in Section 6.1) and references to "your Entitlement" (or "your Entitlement and Acceptance Form") are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Shareholders.

Times and dates

Times and dates in this Offer Booklet are indicative only and may be subject to change. All dates refer to Sydney time. Refer to the "Key Dates" section of this Offer Booklet for more details.

Currency

Unless otherwise stated, all dollar values in this Offer Booklet are in Australian dollars (A\$ or AUD).

Trading Entitlements and New Shares

Emeco will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade Entitlements before they receive their Entitlement and Acceptance Form, whether on the basis of confirmation of the allocation provided by Emeco or the Emeco Share Registry or failure to maintain your updated details on the Emeco Share Registry or otherwise, or who otherwise trade or purport to trade Entitlements in error or which they do not hold or are not entitled to.

Emeco will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Emeco or the Emeco Share Registry or failure to maintain your updated details on the Emeco Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters you should first consult with your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

Refer to Section 6 for details.

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KEY DATES FOR THE ENTITLEMENT OFFER

Event	Date
Announcement of the Entitlement Offer	Tuesday, 21 March 2017
Ex date for the Entitlement Offer	Friday, 24 March 2017
Entitlement trading commences on ASX	Friday, 24 March 2017
Record Date for eligibility for the Entitlement Offer	7.00pm (Sydney time) on Monday, 27 March 2017
Offer Booklet despatched to Shareholders	Wednesday, 29 March 2017
Entitlement Offer opens	Wednesday, 29 March 2017
Entitlement trading on ASX ends	Monday, 3 April 2017
Entitlement Offer closes ¹ (Closing Date)	5.00pm (Sydney time) on Monday, 10 April 2017
Issue of New Shares under the Entitlement Offer and dispatch of holding statements	Wednesday, 19 April 2017
New Shares issued under the Entitlement Offer commence trading on ASX on a normal settlement basis	Thursday, 20 April 2017

The timetable above is indicative only and may be subject to change. Emeco reserves the right to amend any or all of these dates and times without notice, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, Emeco reserves the right to extend the Closing Date of the Entitlement Offer, to accept late applications under the Entitlement Offer (either generally or in particular cases) and to withdraw the Entitlement Offer without prior notice. Any extension of the Closing Date will have a consequential effect on the issue date of New Shares.

The commencement of quotation of New Shares is subject to confirmation from ASX. Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted. Eligible Shareholders wishing to participate in the Entitlement Offer are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Entitlement Offer opens to ensure their application is received by the Emeco Share Registry in time.

Enquiries

If you have any questions, please contact the Emeco Shareholder Information Line on 1300 420 709 (within Australia) or +611300 420 709 (outside Australia) from 8.30am to 5.30pm (Sydney time), Monday to Friday. If you have any further questions, you should contact your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

¹ Eligible Shareholders who wish to take up all or a part of their Entitlement must complete and return their personalised Entitlement and Acceptance Form with the requisite accompanying payment (**Application Monies**) OR pay their Application Monies via BPAY by following the instructions set out on the personalised Entitlement and Acceptance Form, so that they are received by the Emeco Share Registry by no later than 5.00pm (Sydney time) on Monday, 10 April 2017. Eligible Shareholders should refer to Section 2 for options available to them to deal with their Entitlement.

LETTER FROM CHAIRMAN

29 March 2017

Dear Shareholder,

On behalf of Emeco, I am pleased to invite you to participate in a fully underwritten 0.3066 for 1 pro-rata renounceable entitlement offer of new ordinary shares in Emeco (**New Shares**) at an offer price of A\$0.109 per New Share (**Offer Price**) to raise gross proceeds of A\$20 million (**Entitlement Offer**).

The Proposed Transaction

As previously announced to the ASX on 3 January 2017, Emeco has signed a binding amended restructuring support agreement (**Amended Restructuring Support Agreement**) with a number of its major noteholders and the shareholders and creditors of Orionstone Holdings Pty Ltd (**Orionstone**) and Andy's Earthmovers (Asia Pacific) Pty Ltd (**Andy's**). The Amended Restructuring Support Agreement established a revised framework for the proposed recapitalisation of Emeco, (**Restructure**) and the acquisitions of Orionstone and Andy's (**Acquisitions**) (together the **Proposed Transaction**).

Proceeds of the Entitlement Offer will be used to fund the Restructure and the Acquisitions, and will also provide the Company with additional financial flexibility throughout the integration period.

As I have previously outlined, the Proposed Transaction is an important step forward for Emeco and provides the Company with significantly improved credit metrics and puts in place a longer terms sustainable capital structure. With significantly lower leverage, improved interest coverage and potential for greater cash generation post the Proposed Transaction, Emeco has the financial platform to grow the business whilst continuing to provide our customers a quality service. The Proposed Transaction also substantially increases the size of Emeco's fleet and reduces Emeco's capital expenditure requirements going forward.

The Proposed Transaction was approved by Emeco shareholders and noteholders on 13 March 2017 and is expected to complete on 31 March 2017. Further details regarding the Proposed Transaction are set out in the Notice of Extraordinary Meeting and the Supplementary Notice of Extraordinary General Meeting, which were published on the ASX on 8 February 2017 and 23 February 2017 respectively (the **Transaction Documents**).

The Entitlement Offer forms an important part of the recapitalisation of Emeco that is occurring under the Proposed Transaction. As mentioned above, proceeds of the Entitlement Offer will be used to fund the Restructure and the Acquisitions, and will also provide the Company with additional financial flexibility throughout the integration period.

Entitlement Offer

Under the Entitlement Offer, eligible shareholders are entitled to acquire 0.3066 New Shares for every 1 existing Emeco share held on the record date at 7.00pm (Sydney time) on Monday, 27 March 2017 (**Record Date**) (**Entitlement**).

The Offer Price of A\$0.109 per New Share represents a 45% premium to Emeco's closing price on Monday, 20 March 2017 of \$0.075 and a 33% premium to the theoretical ex-rights price of \$0.082.² New Shares issued through the Entitlement Offer will rank equally with existing Emeco shares in all respects. The Offer Price was determined in accordance with the terms of the Amended Restructuring Support Agreement.

The Entitlement Offer is fully underwritten by Black Diamond, Black Crane Asia Opportunities Fund and First Samuel, who are each existing shareholders and/or noteholders of Emeco. This Offer Booklet relates to the Entitlement Offer and Entitlements allotted under it, and contains important information about the Entitlement Offer and Emeco's business.

Accompanying this Offer Booklet is your personalised Entitlement and Acceptance Form which contains details of your Entitlement. Your Entitlement may have value and it is important that you determine whether to take up in whole or part, sell or transfer, or do nothing, in respect of your Entitlement (see Section 2).

If you do not wish to take up your Entitlement, you may sell all or part of your Entitlement on ASX from Friday, 24 March 2017 to Monday, 3 April 2017, or transfer all or part of your Entitlement directly to another person. The assignment, transfer and exercise of Entitlements are restricted to persons meeting certain eligibility criteria, as described in Section 6.1 of this Offer Booklet. Shareholders should note the price at which Entitlements will trade on ASX will depend upon the supply of and demand for Entitlements during the trading period and may not equate to the theoretical ex-entitlements price.

If you choose to do nothing with your Entitlement, your Entitlement will lapse and your shareholding in the Company will be diluted as described in Section 2 of this Offer Booklet. The Entitlement Offer closes at 5.00pm (Sydney time) on Monday, 10 April 2017. To participate, you will need to complete and return your personalised Entitlement and Acceptance Form together with the requisite accompanying payment (**Application Monies**), or alternatively pay your Application Monies using BPAY® so that they are received by the Emeco Share Registry by 5.00pm (Sydney time) on Monday, 10 April 2017.

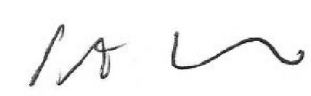
Please carefully read this Offer Booklet in its entirety and consult your stockbroker, solicitor, accountant, financial adviser or other professional adviser before making your investment decision. In particular, you should read and consider the "Key Risks" section of the Emeco Investor Presentation included in Section 5 of this Offer Booklet which contains a summary of some of the key risks associated with an investment in Emeco.

If you have any questions in respect of the Entitlement Offer, please call the Emeco Shareholder Information Line on 1300 420 709 (within Australia) or +61 1300 420 709 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday.

² The theoretical ex-rights price (**TERP**) is the theoretical price at which Emeco shares should trade immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which Emeco shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to Emeco's closing price of \$0.075 per share on Monday, 20 March 2017, being the last trading day prior to the announcement of the Entitlement Offer.

On behalf of the Board and management team of Emeco I invite you to consider this investment opportunity and thank you for your ongoing support.

Yours faithfully,



Peter Richards
Chairman
Emeco Holdings Limited

1. IS THIS OFFER BOOKLET RELEVANT TO YOU?

This Offer Booklet is relevant to you if you are an Eligible Shareholder (as defined below).

In this Offer Booklet, references to "you" are references to Eligible Shareholders and references to "your Entitlement" (or "your Entitlement and Acceptance Form") are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Shareholders.

Eligible Shareholders are those persons who:

- are registered as a holder of Emeco shares as at the Record Date, being 7.00pm (Sydney time) on Monday, 27 March 2017;
- have a registered address on the Emeco share register that is in Australia or New Zealand, or are an Eligible Institutional Shareholder (as defined below);
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds Emeco ordinary shares for the account or benefit of such person in the United States); and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

Eligible Institutional Shareholders are those institutional shareholders outside of Australia and New Zealand to whom Emeco may (in its discretion) agree to extend the Entitlement Offer in accordance with applicable law. Refer to Section 6.1 for further details.

2. SUMMARY OF OPTIONS AVAILABLE TO YOU

If you are an Eligible Shareholder you may take any of the following actions:

1. Take up all or part of your Entitlement; or
2. Sell all or part of your Entitlement to persons meeting certain eligibility criteria;
 - a. on the ASX; or
 - b. by transferring it directly to another person; or
3. Do nothing and let all or part of your Entitlement lapse.

If you are a shareholder that is not an Eligible Shareholder you are an **Ineligible Shareholder**.

Options available to you	Key considerations
1. Take up all or part of your Entitlement	<p>You may elect to purchase New Shares at the Offer Price (see Section 3.5 for instructions on how to take up your Entitlement).</p> <p>The New Shares will rank equally in all respects with existing Emeco ordinary shares (Shares).</p> <p>The Entitlement Offer closes at 5.00pm (Sydney time) on Monday, 10 April 2017.</p> <p>If you only take up part of your Entitlement, the relevant portion of your Entitlement will lapse and you will receive no benefit.</p> <p>Eligible Shareholders are not able to apply for New Shares in excess of their Entitlement.</p>
2. Sell all or part of your Entitlement on ASX	<p>If you do not wish to take up all or part of your Entitlement, you may be able to sell all or part of your Entitlement on the ASX through your broker (see Section 3.5) or transfer your Entitlement directly to another person (see Section 3.5).</p> <p>Entitlement trading on ASX starts at 10.00am on Friday, 24 March 2017 (ASX Code: EHLR) until the close of ASX trading on Monday, 3 April 2017. You should allow sufficient time for your instructions to be carried out by your stockbroker. Please note you may incur brokerage if you choose to sell your Entitlement on ASX.</p> <p>For certain Eligible Shareholders who are Australian tax residents and hold their existing shares on capital account, the proceeds of any sale of the Entitlement will be taken into account in calculating any capital gain for Australian income tax purposes (see Section 4.2).</p> <p>Prices obtained for Entitlements may rise and fall over the Entitlement trading period and will depend on many factors including the demand for and supply of Entitlements on the ASX and the value of Emeco existing shares relative to the Offer Price. If you sell your Entitlement in the Entitlement trading period, you may receive a higher or lower</p>

	<p>amount than a shareholder who sells their Entitlement at a different time in the Entitlement trading period. You will also forgo any exposure to increases or decreases in the value of New Shares had you taken up that Entitlement. Your percentage shareholding in Emeco will also be diluted.</p> <p>If you only sell part of your Entitlement, you may choose to take up the remainder (see Option 1) or you may do nothing and let that part lapse (see Option 3 below).</p>
<p>3. Do nothing and let all or part of your Entitlement lapse</p>	<p>If you do nothing with respect to all or part of your Entitlement, the relevant portion of your Entitlement will lapse and you will receive no benefit. These Entitlements will be subscribed for by the Underwriters.</p> <p>By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement. Although you will continue to own the same number of Shares, your percentage shareholding in Emeco will be diluted.</p>

3. HOW TO APPLY

3.1 Overview of the Entitlement Offer

Eligible Shareholders are being offered the opportunity to purchase 0.3066 New Shares for every 1 existing Emeco share held as at the Record Date of 7.00pm (Sydney time) on Monday, 27 March 2017, at the Offer Price of A\$0.109 per New Share.

You have a number of decisions to make in respect of your Entitlement. You should read this Offer Booklet carefully before making any decisions in relation to your Entitlement.

The Entitlement Offer is fully underwritten by Black Diamond Capital Management LLC (**Black Diamond**), Black Crane Asia Opportunities Fund (**Black Crane**) and First Samuel Limited (ACN 086 243 567) (**First Samuel**) (each an **Underwriter** and together the **Underwriters**) on the terms and conditions of the Underwriting Agreement (see Section 6.13 for more details). Further details on the Entitlement Offer are set out below.

3.2 The Entitlement Offer

Under the Entitlement Offer, Eligible Shareholders are invited to apply for 0.3066 New Shares for every 1 existing Emeco share held as at the Record Date at the Offer Price of A\$0.109 per New Share.

The Entitlement Offer opens at 9.00am (Sydney time) on Wednesday, 29 March 2017 and will close at 5.00pm (Sydney time) on Monday, 10 April 2017.

3.3 Your Entitlement

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 0.3066 New Shares for every 1 existing share you held as at the Record Date.

If the result is not a whole number, your Entitlement will be rounded up to the nearest whole number of New Shares.

If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have a separate Entitlement for each separate holding.

New Shares issued under the Entitlement Offer will be fully paid and rank equally in all respects with existing shares.

See Sections 6.1 and 6.12 for information on restrictions on participation.

3.4 Consider the Entitlement Offer carefully in light of your particular investment objectives and circumstances

The Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow entitlement offers to be made without a prospectus. This Offer Booklet does not contain all of the information which may be required in order to make an informed decision regarding an application for New Shares offered under the Entitlement Offer. As a result, it is important for you to read carefully and understand the information on Emeco and the Entitlement Offer made publicly available, prior to deciding whether to take up all or part of your Entitlement or do nothing in respect of your Entitlement. In particular, please refer to this Offer Booklet, the Transaction Documents and other announcements made available at www.emecogroup.com (including announcements which may be made by Emeco after publication of this Offer Booklet).

Please consult with your stockbroker, solicitor, accountant, financial adviser or other professional adviser if you have any queries or are uncertain about any aspect of the Entitlement Offer. You should also refer to the "Key Risks" section of the Emeco Investor Presentation included in Section 5 of this Offer Booklet.

3.5 Options available to you

If you are an Eligible Shareholder, you may take any of the following actions:

1. Take up all or part of your Entitlement; or
2. Sell all or part of your Entitlement to persons meeting certain eligibility criteria;
 - a. on the ASX; or
 - b. by transferring it directly to another person; or
3. Do nothing and let all or part of your Entitlement lapse.

Eligible Shareholders who do not participate fully in the Offer will have their percentage holding in Emeco reduced. Eligible Shareholders who participate in the Offer will not see their percentage holding in Emeco reduced if they take up all of their Entitlement (other than dilution which will occur as part of the implementation of the Proposed Transaction, including the fees payable to the Underwriters).

If you wish to take up all or part of your Entitlement

If you wish to take up all or part of your Entitlement, please either:

1. complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies; or
2. pay your Application Monies via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form,

so that they are received by the Emeco Share Registry, by no later than 5.00pm (Sydney time) on Monday, 10 April 2017.

If you take up and pay for all or part of your Entitlement before the close of the Entitlement Offer, it is expected that you will be issued New Shares on Wednesday, 19 April 2017. Emeco's decision on the number of New Shares to be issued to you will be final.

Emeco also reserves the right (in its absolute discretion) to reduce the number of New Shares issued to Eligible Shareholders or persons claiming to be Eligible Shareholders, if Emeco believes their claimed Entitlements to be overstated or if they or their nominees fail to provide information to substantiate their claims to Emeco's satisfaction (see Section 6.10).

Eligible Shareholders are not able to apply for New Shares in excess of their Entitlement.

If you wish to sell all or part of your Entitlement on ASX

If you wish to sell all or part of your Entitlement on the ASX, you should instruct your stockbroker and provide details as requested from your personalised Entitlement and Acceptance Form.

You should allow sufficient time for your instructions to be carried out by your stockbroker. Please note you may incur brokerage if you choose to sell your Entitlement on ASX.

Entitlement trading on ASX starts at 10.00am on Friday, 24 March 2017 (ASX Code:EHLR) until the close of ASX trading on Monday, 3 April 2017. There is no guarantee that there will be a liquid market in traded Entitlements. A lack of liquidity may impact your ability to sell your Entitlement on ASX and the price you may be able to achieve.

This Offer Booklet, along with your personalised Entitlement and Acceptance Form, will be despatched on Wednesday, 29 March 2017.

Emeco will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to you if you trade your Entitlement before you receive your personalised Entitlement and Acceptance Form, whether on the basis of confirmation of the allocation provided by Emeco or the Emeco Share Registry or otherwise, or if you otherwise trade or purport to trade Entitlements in error or which you do not hold or to which you are not entitled.

If you wish to sell part of your Entitlement on ASX follow the procedures above in respect of the part of your Entitlement you wish to sell on ASX. If you do nothing with respect to the balance of your Entitlement, that balance will lapse and you will receive no benefit.

Prices obtainable for Entitlements may rise and fall over the Entitlement trading period and will depend on many factors including the demand for and supply of Entitlements on ASX and the value of Emeco's existing Shares relative to the Offer Price.

If you sell your Entitlement in the Entitlement trading period, you may receive a higher or lower amount than a Shareholder who sells an Entitlement at a different time in the Entitlement trading period. If you sell your Entitlement, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up that Entitlement. Your percentage shareholding in Emeco will also be diluted.

If you wish to transfer all or part of your Entitlement to another person, other than on ASX

If you wish to transfer all or part of your Entitlement other than on ASX, you must forward a completed Renunciation and Transfer Form to the Emeco Share Registry in relation to the part of your Entitlement that you wish to transfer. If the transferee wishes to take up all or part of the Entitlement transferred to them, they must send their Application Monies together with the Entitlement and Acceptance Form related to the Entitlement transferred to them to the Emeco Share Registry.

You can obtain a Renunciation and Transfer Form through the Emeco Shareholder Information Line on 1300 420 709 (within Australia) or +61 1300 420 709 (outside Australia) or from your stockbroker. The Renunciation and Transfer Form as well as the transferee's Application Monies and the Entitlement and Acceptance Form related to the Entitlement transferred to them must be received by the Emeco Share Registry at the mail or hand delivery address in Section 3.7 no later than 5.00pm (Sydney time) on Monday, 10 April 2017.

If the Emeco Share Registry receives both a completed Renunciation and Transfer Form and a separate Application for New Shares in respect of the same Entitlement, the transfer of your Entitlement (the subject of the Renunciation and Acceptance Form) will take priority over the Application.

If you wish to transfer part of your Entitlement, follow the procedures above in respect of the part of your Entitlement you wish to transfer. If you do nothing with respect to the balance of your Entitlement, that balance will lapse and you will receive no benefit.

If you transfer your Entitlement, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up that Entitlement. Your percentage shareholding in Emeco will also be diluted.

You may only transfer your Entitlement in this way to a purchaser whose address is in Australia or New Zealand and who is not in the United States and who is not acting for the account or benefit of a person in the United States, or who is otherwise an 'Eligible Person'³. Persons who are in the United States or who are acting for the account or benefit of a person in the United States will not be eligible to purchase, trade, take up or exercise Entitlements. You should inform any transferee of these restrictions.

If you wish to let all or part of your Entitlement lapse

If you do nothing with respect to all or part of your Entitlement, the relevant portion of your Entitlement will lapse and you will receive no benefit.

By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement (or any value for your Entitlement which may have been achieved through its sale on the ASX or otherwise). Although you will continue to own the same number of Shares, your percentage shareholding in Emeco will be diluted.

³ Certain investors in New Zealand, Hong Kong and Singapore may be Eligible Persons if they satisfy the requirements of that expression as set out in the 'Entitlement and Acceptance Form' in respect of the Entitlement Offer which is available from the Emeco Share Registry.

3.6 Payment

You can pay in the following ways:

1. by BPAY®; or
2. by cheque.

Cash payments will not be accepted. Receipts for payment will not be issued.

Emeco will treat you as applying for as many New Shares as your payment will pay for in full.

Any Application Monies received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Entitlement Offer (except for where the amount is less than \$1.00 in which case it will be donated to a charity chosen by Emeco). No interest will be paid to applicants on any Application Monies received or refunded.

Payment by BPAY®

For payment by BPAY®, please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, please make sure you use the specific Biller Code and your unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your application will not be recognised as valid.

Please note that should you choose to pay by BPAY®:

1. you do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form and in Section 3.8; and
2. if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY® payment is received by the Emeco Share Registry by no later than 5.00pm (Sydney time) on Monday, 10 April 2017. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make your payment.

Payment by cheque

For payment by cheque, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque in Australian currency for the amount of the Application Monies, payable to "Emeco Holdings Limited" and crossed "Not Negotiable".

Your cheque must be:

1. for an amount equal to A\$0.109 multiplied by the number of New Shares that you are applying for; and
2. in Australian currency drawn on an Australian branch of a financial institution.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies as your cheque will be processed on the day of receipt. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower whole number of New Shares as your cleared Application Monies will pay for (and to have specified that number of New Shares on your personalised Entitlement and Acceptance Form). Alternatively, your application will not be accepted.

3.7 Mail or hand delivery

To participate in the Entitlement Offer, your payment must be received no later than the close of the Entitlement Offer, being 5.00pm (Sydney time) on Monday, 10 April 2017. If you make payment via cheque you should mail or hand deliver your completed personalised Entitlement and Acceptance Form together with Application Monies to:

Mailing Address

Emeco Retail Entitlement Offer
C/- Link Market Services Limited
GPO Box 3560
Sydney South NSW 2001

Hand Delivery Address

Emeco Retail Entitlement Offer
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

Personalised Entitlement and Acceptance Forms and Application Monies will not be accepted at Emeco's registered or corporate offices or other offices of the Emeco Share Registry.

3.8 Representations by acceptance

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY®, you will be deemed to have represented to Emeco that you:

- are an Eligible Shareholder;
- acknowledge that you have read and understand this Offer Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- agree to be bound by the terms of the Entitlement Offer, the provisions of this Offer Booklet, and Emeco's constitution;
- authorise Emeco to register you as the holder(s) of New Shares allotted to you;
- declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;

- acknowledge that once Emeco receives your personalised Entitlement and Acceptance Form or any payment of Application Monies via BPAY®, you may not withdraw your application or funds provided, except as allowed by law;
- agree to apply for and be issued up to the number of New Shares specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY®, at the Offer Price per New Share;
- authorise Emeco, each Underwriter, the Emeco Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Emeco Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- acknowledge and agree that:
 - determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Emeco and/or the Underwriters;
 - each of Emeco and the Underwriters, and each of their respective affiliates, disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- declare that you were the registered holder(s) at the Record Date of the Shares indicated on your personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- acknowledge that the information contained in this Offer Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- acknowledge that this Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in Emeco and is given in the context of Emeco's past and ongoing continuous disclosure announcements to ASX;
- acknowledge the statement of risks in the "Key Risks" section of the Emeco Investor Presentation included in Section 5 of this Offer Booklet and that investments in Emeco are subject to risk;
- acknowledge that none of Emeco, each Underwriter, or their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of Emeco, nor do they guarantee the repayment of capital;
- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of shares on the Record Date;
- authorise Emeco to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;

- represent and warrant that the law of any place does not prohibit you from being given this Offer Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Entitlement Offer;
- represent and warrant that you are not in the United States and you are not acting for the account or benefit of a person in the United States (to the extent such person holds Emeco ordinary shares for the account or benefit of such person in the United States);
- you understand and acknowledge that neither the Entitlements nor New Shares have been, or will be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction in the United States. Notwithstanding the foregoing, the Entitlements may not be purchased, taken up or exercised by persons in the United States or by persons who are acting for the account or benefit of a person in the United States. Neither the Entitlements nor the New Shares may be offered, sold or resold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction in the United States;
- you are subscribing for or purchasing an Entitlement or New Shares in an 'offshore transaction' (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the U.S. Securities Act;
- you have not and will not send this Offer Booklet, the Entitlement and Acceptance Form or any other materials relating to the Entitlement Offer to any person in the United States or any other country outside Australia;
- if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand, or is otherwise an Eligible Institutional Shareholder, and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Offer Booklet, the Entitlement and Acceptance Form or any information relating to the Entitlement Offer to any such person; and
- if you (or any person for whom you are acquiring the Entitlements or New Shares) are in Hong Kong, you (and any such person) are a "professional investor" as defined under the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong; and
- if you (or any person for whom you are acquiring the Entitlements or New Shares) are in Singapore, you (and any such person):
 - are an "institutional investor" or a "relevant person" (as such terms are defined in the Securities and Futures Act of Singapore ("SFA"));
 - will acquire the New Shares in accordance with applicable provisions of the SFA; and
 - acknowledge that the offer of the New Shares is subject to the restrictions (including selling restrictions) set out in the SFA.

3.9 Representations by acquirers of Entitlements

Investors who acquire Entitlements on the ASX or otherwise will, by acquiring those Entitlements, and by applying to take up all or part of those Entitlements, be deemed to agree to make and be subject to the representations, declarations, warranties and agreements in Section 3.8 above (with references to the personalised Entitlement and Acceptance Form to be read as including any other form provided or required to be provided to Emeco, the Emeco Share Registry or the person's stockbroker).

The Entitlements may not be purchased, traded, taken up or exercised by persons in the United States or by persons who are acting for the account or benefit of persons in the United States.

Investors should note that if you purchase Entitlements in a transaction on the ASX or otherwise, in order to take up or exercise those Entitlements and subscribe for New Shares you:

- must be an Eligible Shareholder, a resident in Australia or New Zealand, or otherwise qualify as an 'Eligible Person'⁴; and
- must not be in the United States or acting for the account or benefit of a person in the United States.

3.10 Entitlements of Ineligible Shareholders

In compliance with Listing Rule 7.7.1 and section 708AA (including section 9A) of the Corporations Act, Emeco will arrange for the sale on ASX of the Entitlements that would have been granted to Ineligible Shareholders. Emeco will direct the net proceeds (if any), less any applicable withholding tax, to Ineligible Shareholders and Emeco will have the absolute and sole discretion to determine the timing and the price at which the Entitlements may be sold and the manner in which any sale is made. Any interest earned or the proceeds of the sale of these Entitlements will be applied against the expenses of such sale, including brokerage, and any balance will accrue to Emeco.

The net proceeds of sale (if any), less any applicable withholding tax, will be paid in Australian dollars to the Ineligible Shareholders for whose benefit the Entitlements have been sold in proportion to their shareholdings (after deducting expenses).

If any such net proceeds of sale are less than the reasonable costs that would be incurred by Emeco for distributing those proceeds, such proceeds may be retained by Emeco.

Notwithstanding that Emeco may sell Entitlements, Ineligible Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds. Emeco will not be liable for a failure to sell Entitlements or to sell Entitlements at any particular price. If, in the reasonable opinion of Emeco, there is no viable market for the Entitlements of Ineligible Shareholders, or a surplus over the expenses is unlikely to be obtained for the Entitlements that would have been offered to the Ineligible Shareholders, then the New Shares that represent these Entitlements will form part of the shortfall that will be subscribed for by the Underwriters at the Offer Price.

⁴ Certain investors in New Zealand, Hong Kong and Singapore may be Eligible Persons if they satisfy the requirements of that expression as set out in the 'Entitlement and Acceptance Form' in respect of the Entitlement Offer which is available from the Emeco Share Registry.

3.11 Enquiries

If you have not received or you have lost your personalised Entitlement and Acceptance Form, or have any questions, please contact the Emeco Shareholder Information Line on 1300 420 709 (within Australia) or +61 1300 420 709 (outside Australia) between 8.30am and 5.30pm (Sydney time), Monday to Friday. If you have any further questions, you should contact your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

4. AUSTRALIAN TAX CONSIDERATIONS

4.1 Introduction

This is a summary of the Australian tax consequences of the Entitlement Offer for Eligible Shareholders that hold their shares on capital account for Australian income tax purposes. This summary does not consider the consequences for shareholders who:

- acquire Entitlements otherwise than under the Entitlement Offer (eg. their Entitlements are acquired on the ASX);
- hold existing shares, New Shares or Entitlements in a business of share trading, dealing in securities or otherwise hold their existing shares, New Shares or Entitlements on revenue account or as trading stock;
- acquired existing shares in respect of which the Entitlements are issued under an employee share scheme;
- are subject to the 'taxation of financial arrangements' provisions in Division 230 of the Income Tax Assessment Act 1997 (Cth) in relation to their holding of shares, New Shares or Entitlements; or
- are tax residents of any jurisdiction other than Australia.

This summary is based upon the legislation and established interpretation of legislation as at the date of this Offer Booklet, but is not intended to be an authoritative or complete statement of the law as relevant to the circumstances of each shareholder. Shareholders should seek independent professional advice in relation to their own particular circumstances.

The information contained in this summary is of a general nature and is not intended to address the circumstances of any particular individual or entity.

As the taxation implications of the Entitlement Offer will depend upon a shareholder's particular circumstances, shareholders should seek and rely upon their own professional taxation advice before concluding on the particular taxation treatment that will apply to them.

Shareholders that are subject to tax in a jurisdiction outside Australia may be subject to tax consequences in that jurisdiction in respect of the Entitlement Offer that are not covered by this summary. Such shareholders should seek and rely upon their own professional taxation advice in relation to the taxation implications of the Entitlement Offer in any jurisdictions that are relevant to them.

Neither Emeco nor any of its officers or employees, nor its taxation or other advisers accepts any liability or responsibility in respect of any statement concerning taxation consequences of the Entitlement Offer.

4.2 Income tax consequences of Entitlements

a) Issue of Entitlements

The issue of Entitlements to Australian resident shareholders should not, of itself, give rise to any amount of assessable income or capital gain for shareholders.

b) Sale on the ASX or transfer of Entitlements

The Entitlements should constitute CGT assets for CGT purposes. If Shareholders choose to sell, transfer or otherwise dispose of their Entitlements, this will constitute a disposal under the CGT rules.

Shareholders will derive a capital gain equal to the sale price (or deemed market value sale price if Entitlements are sold or transferred for no consideration or on non-arm's length terms) less the cost base of their Entitlements, which will include any incidental costs of disposal.

Individuals, trustees or complying superannuation entities who have held their corresponding existing shares for at least 12 months may be eligible to apply the CGT discount (after the application of current year or carry forward capital losses). The amount of the discount is 50% for individuals and trustees and 33^{1/3}% for complying superannuation entities. The CGT discount is not available for companies not acting in their capacity as a trustee. Trustees should seek specific tax advice regarding the tax consequences arising in relation to making distributions to beneficiaries which are attributable to discounted capital gains.

c) Exercise of Entitlements

The exercise of Entitlements should not, of itself, result in any amount being included in a shareholder's assessable income and should not give rise to any capital gain under the capital gains tax (**CGT**) provisions.

Eligible Shareholders that exercise their Entitlements will receive New Shares. New Shares will be taken to have been acquired on the day on which the Entitlements were exercised for CGT purposes.

The cost base of each New Share acquired will be the sum of the amount paid to exercise the corresponding Entitlement (ie. the Offer Price) and any non-deductible incidental costs in acquiring the New Shares.

d) Lapse of entitlement

If an Eligible Shareholder does not accept all or part of their Entitlement in accordance with the instructions set out above, then that Entitlement will lapse. There should be no adverse tax implications for an Eligible Shareholder from the lapse of the Entitlement.

4.3 Income tax consequences of New Shares

The New Shares should constitute CGT assets for CGT purposes.

Dividends paid to Eligible Shareholders in relation to their New Shares should generally be subject to the same income tax treatment as dividends in relation to existing shares held in the same circumstances.

Any future sale or disposal of New Shares will constitute a disposal for CGT purposes. A capital gain will arise if the capital proceeds on disposal exceed the cost base of a New Share. A capital loss will arise if the capital proceeds on disposal are less than the reduced cost base of a New Share.

The New Shares must have been held for at least 12 months in order for Eligible Shareholders (who are an individual, trustee or complying superannuation fund) to be eligible for the CGT discount in relation to a disposal of New Shares. Refer section 4.2 above for further details.

4.4 Provision of TFN or ABN

Australian tax legislation imposes withholding tax (currently at a rate of 49%) on the payment of distributions on certain types of investments, such as the unfranked part of any dividend, where no TFN or ABN (if applicable) has been provided. Shareholders that have not previously provided their TFN or ABN (if applicable) to the Emeco Share Registry may wish to do so prior to the close of the Entitlement Offer to ensure that withholding tax is not deducted from any Premium payable to them.

A shareholder is not required to provide their TFN or ABN to Emeco.

4.5 Other Australian taxes

GST and stamp duty should not generally be payable in relation to the issue, sale, or exercise of Entitlements, nor in relation to the acquisition of New Shares

Eligible Shareholders may however be restricted in their ability to claim input tax credits in relation to costs incurred in relation to their acquisition of the New Shares. This will depend on each Eligible Shareholder's particular circumstances.

5. ASX ANNOUNCEMENTS

Pro rata renounceable entitlement offer

Replacement document due to revised Offer Price

21 March 2017



IMPORTANT NOTICES AND DISCLAIMER

This investor presentation ("Presentation") has been prepared by Emeco Holdings Limited (ACN 112 188 815) ("Emeco" or "Company"). This Presentation has been prepared in connection with the pro rata renounceable entitlement offer ("Offer") of new Emeco ordinary shares ("New Shares"). The Offer is being conducted under section 708AA of the Corporations Act 2001 (Cth) ("Corporations Act") as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84.

Summary information

This Presentation contains summary information about the current activities of Emeco and its subsidiaries ("Emeco Group") as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete. This Presentation does not purport to contain all the information that an investor should consider when making an investment decision nor does it contain all the information which would be required in a disclosure document or prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with Emeco's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au. To the maximum extent permitted by law, Emeco, the underwriters, their, and their respective affiliates' and related bodies corporates', officers, employees, partners, agents and advisers make no representation or warranty (express or implied) as to the currency, accuracy, reliability or completeness of the information in this Presentation and disclaim all responsibility and liability for the information (including without limitation, liability for negligence).

Not an offer

This Presentation is for information purposes only and is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law or any other law (and will not be lodged with the Australian Securities and Investments Commission ("ASIC")). The Presentation is not and should not be considered an offer or an invitation to acquire entitlements or New Shares or any other financial products. The Offer will be made on the basis of the information to be contained in the offer booklet to be prepared for eligible shareholders in Australia and New Zealand ("Offer Booklet"), and made available following its lodgement with ASX. Any eligible shareholder in Australia and New Zealand who wishes to participate in the Entitlement Offer should consider the Offer Booklet in deciding to apply under that offer. Anyone who wishes to apply for New Shares under the Entitlement Offer will need to apply in accordance with the instructions contained in the Offer Booklet and the entitlement and acceptance form.

This Presentation may not be released or distributed in the United States. This Presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer would be illegal. The entitlement and New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, in the United States, unless they have been registered under the U.S. Securities Act (which Emeco has no obligation to do or procure), or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable state securities laws.

The distribution of this Presentation in other jurisdictions outside Australia may also be restricted by law and any such restrictions should be observed. Any failure to comply with such restrictions may constitute a violation of applicable securities laws (see "International Offer Restrictions"). By accepting this Presentation you represent and warrant that you are entitled to receive such presentation in accordance with the above restrictions and agree to be bound by the limitations contained herein.

Not financial product advice

This Presentation does not constitute financial product or investment advice (nor tax, accounting or legal advice) nor is it a recommendation to acquire entitlements or New Shares and does not and will not form any part of any contract for the acquisition of entitlements or New Shares. This Presentation has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek appropriate advice, including financial, legal and taxation advice appropriate to their jurisdiction. Emeco is not licensed to provide financial product advice in respect of Emeco shares. Cooling off rights do not apply to the acquisition of New Shares.

Financial data

All dollar values are in Australian dollars ("A\$") and financial data is presented as at and for the six months ending 31 December 2016 unless otherwise stated. Investors should note that this Presentation contains pro forma financial information. The pro forma financial information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of Emeco's (or anyone else's) views on Emeco's future financial position and/or performance. The pro forma financial information is based on the reviewed financial information of Emeco, and the unaudited management accounts of Orionstone Holding Pty Ltd and Andy's Earthmovers (Asia Pacific) Pty Ltd.

The pro forma financial information has been prepared by Emeco in accordance with the measurement and recognition requirements, but not the disclosure requirements, of applicable accounting standards and other mandatory requirements in Australia. Refer to the "Basis of preparation of Financial Information" section of this Presentation for further detail.

Past Performance

Past performance information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

IMPORTANT NOTICES AND DISCLAIMER CONT.

Future performance

This Presentation contains certain “forward looking statements”. Forward looking statements can generally be identified by the use of forward looking words such as, “expect”, “anticipate”, “likely”, “intend”, “should”, “could”, “may”, “predict”, “plan”, “propose”, “will”, “believe”, “forecast”, “estimate”, “target” “outlook”, “guidance” and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, indications of, or guidance or outlook on, future earnings or financial position or performance of Emeco the outcome and effects of the Offer and the use of proceeds. The forward looking statements contained in this Presentation are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Emeco, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the risks section of this Presentation for a summary of certain general and Emeco specific risk factors that may affect Emeco.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including the risk factors set out in this Presentation. Investors should consider the forward looking statements contained in this Presentation in light of those disclosures and not place reliance on such statements. The forward looking statements are based on information available to Emeco as at the date of this Presentation. To the maximum extent permitted by law, Emeco and its directors, officers, employees, advisers, agents and intermediaries disclaim any obligation or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions.

Except as required by law or regulation (including the ASX Listing Rules), Emeco undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.

Effect of rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation.

Investment risk

An investment in Emeco shares is subject to investment and other known and unknown risks, some of which are beyond the control of Emeco including possible loss of income and principal invested. Emeco does not guarantee any particular rate of return or the performance of Emeco, nor does it guarantee the repayment of capital from Emeco or any particular tax treatment. In considering an investment in Emeco shares, investors should have regard to (amongst other things) the risks outlined in this Presentation.

Neither the underwriters nor any of their affiliates or their respective related bodies corporate, or any of their respective directors, officers, partners, employees and agents (“Underwriter Group”) have caused or authorised the issue, submission, dispatch or provision of this Presentation, nor do they make any recommendation as to whether any potential investor should participate in the offer of New Shares (as defined in this Presentation) referred to in this Presentation. None of Emeco’s advisors or the Underwriter Group makes or purports to make any statement in this Presentation and there is no statement in this Presentation which is based on any statement by them. Further, no member of the Underwriter Group accepts any fiduciary obligations to or relationship with any investor or potential investor in connection with the offer of New Shares or otherwise. Determination of eligibility of investors for the purposes of the Offer is determined by reference to a number of matters, including legal requirements and the discretion of Emeco and the underwriters. Emeco and the underwriters disclaim any liability in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.



1. Entitlement Offer Overview

SUMMARY

Entitlement Offer size and structure

Emeco Holdings Limited (“Emeco”) will offer 183.8 million New Shares at \$0.109 per New Share to raise approximately A\$20 million via a fully underwritten pro rata renounceable entitlement offer (“Entitlement Offer”)

New Shares issued under the Entitlement Offer will rank equally in all respects with existing Emeco shares

Use of funds

Net proceeds from the Entitlement Offer will be used to fund the previously announced recapitalisation of Emeco (the “Restructure”) and the acquisitions of Andy’s and Orionstone (“Acquisitions”) and provide additional financial flexibility throughout the Acquisition integration period

Entitlement Offer price¹

The Entitlement Offer will be made at a fixed price of \$0.109 per share (“Entitlement Offer Price”):

- 45% premium to last Emeco closing price of \$0.075 per share
- 33% premium to Emeco’s Theoretical Ex-rights Price of \$0.082 per share²

The Entitlement Offer Price was determined in accordance with the terms of the Revised Restructuring Support Agreement (“Amended RSA”)³

Entitlement Offer rationale

Assists in minimising dilution for existing Emeco shareholders

Allows Emeco shareholders to participate in the future upside of the combined group

Enhances Emeco’s financial flexibility

Underwriting

The Entitlement Offer is fully underwritten by Black Diamond, Black Crane Asia Opportunities Fund and First Samuel, who are each existing major shareholders and / or noteholders of Emeco

Key dates

24 March 2017
Entitlement trading commences on ASX

27 March 2017 (7pm)⁴
Record Date

29 March 2017
Entitlement Offer opens

3 April 2017
Entitlement trading on ASX ends

10 April 2017
Entitlement Offer closes

19 April 2017
Issue of New Shares under the Entitlement Offer

20 April 2017
New Shares issued under the Entitlement Offer commence trading

1. The Entitlement Offer Price was determined in accordance with the terms of the Amended RSA (as defined below).
2. The theoretical ex-rights price is the theoretical price at which Emeco shares should trade immediately after the ex-date for the Entitlement Offer. The TERP is a highly theoretical calculation for illustrative purposes only and the actual price at which Emeco shares trade immediately after the ex-date for the Entitlement Offer may vary from TERP. TERP is calculated by reference to Emeco’s closing price of \$0.075 per share on 20 March 2017, being the last trading day prior to the announcement of the Entitlement Offer.
3. In determining the Entitlement Offer Price, the Amended RSA seeks to recognise the amount of value contributed to the combined group by each counterparty to the Transaction (such as Orionstone, Andy’s and the various creditors of Emeco, Orionstone and Andy’s) and represents the mutual agreement of the parties following a series of detailed negotiations. For further detail, refer to Emeco’s separate announcement “Recapitalisation and merger equity allocations” lodged with the ASX today
4. Australian Eastern Standard Time.

UPDATE ON RESTRUCTURE AND ACQUISITIONS

The Restructure and Acquisitions have been approved by shareholders and creditors

- 1 Emeco shareholders approved the Restructure and Acquisitions at the Extraordinary General Meeting on 13 March 2017
- 2 Noteholders of Emeco approved the Noteholder's Scheme of Arrangement at the Scheme Meeting on 13 March 2017
- 3 Final court approval obtained for Noteholder's Scheme on 15 March 2017
- 4 Noteholder's scheme became effective on 16 March 2017
- 5 Completion date under the Restructure and Acquisitions scheduled for 31 March 2017

RATIONALE FOR THE ENTITLEMENT OFFER

The Entitlement Offer enables shareholders to further participate in Emeco's growth

Minimises dilution for existing Emeco shareholders

- Participation in the Entitlement Offer assists in minimising the shareholder dilution arising as a result of the Restructure and Acquisitions

Allows Emeco shareholders to participate in the future upside of the combined group

- Provides Emeco's existing shareholders¹ with the opportunity to further participate in the future growth of the Company following implementation of the Restructure and Acquisitions
- For shareholders who do not wish to participate in the Entitlement Offer, there is an opportunity to potentially realise value from their Entitlements²

Enhances Emeco's financial flexibility

- Fully underwritten Entitlement Offer secures additional funds for the Company, assisting in funding the Restructure and Acquisitions and providing additional financial flexibility throughout the Acquisition integration period
 - Support for the Entitlement Offer from shareholders and noteholders via their underwriting commitment is a strong endorsement of the Company's strategy and long term growth potential
-

1. Eligible shareholders are those shareholders who are registered as a holder of fully paid Emeco shares as at the record date of 7.00pm (Sydney time) Monday, 27 March 2017, and who have a registered address on Emeco's share register that is in Australia or New Zealand. Certain institutional shareholders in Hong Kong and Singapore may also be eligible to participate – see Appendix B: International Offer Jurisdictions.
2. Entitlements trading will be available on the ASX. Prices obtainable for Entitlements may rise and fall over the Entitlement trading period and will depend on many factors including the demand for and supply of Entitlements on the ASX and the value of Emeco existing Shares relative to the Offer Price. If you sell your Entitlement, you may receive a higher or lower amount than a shareholder who sells their Entitlement at a different time in the Entitlement trading period. As the Offer Price exceeds the market price of Emeco's shares as at last close, a market for the Entitlements may not develop and shareholders may not be able to achieve a sale of their Entitlements on the ASX.

SOURCES AND USES OF FUNDS

Net proceeds from the Entitlement Offer will be used to fund the Restructure and Acquisitions and general working capital, providing Emeco with enhanced financial flexibility through the integration period

Sources of funds	A\$ million
Gross proceeds from the Entitlement Offer	20.0
Gross proceeds	20.0

Uses of funds	A\$ million
Entitlement Offer costs	0.3
General working capital and Restructure and Acquisition costs	19.7
Total Uses	20.0

RIGHTS ISSUE TIMETABLE

Event	Date
Announcement of the Entitlement Offer	Tuesday, 21 March 2017
Ex-date for the Entitlement Offer	Friday, 24 March 2017
Entitlement trading commences on ASX	Friday, 24 March 2017
Record Date for eligibility for the Entitlement Offer	Monday, 27 March 2017 (7.00pm Sydney time)
Offer Booklet despatched to Eligible Shareholders	Wednesday, 29 March 2017
Entitlement Offer opens	Wednesday, 29 March 2017
Entitlement trading on ASX ends	Monday, 3 April 2017
Entitlement Offer closes	Monday, 10 April 2017 (5.00pm Sydney time)
Issue of New Shares under the Entitlement Offer and dispatch of holding statements	Wednesday, 19 April 2017
New Shares issued under the Entitlement Offer commence trading on ASX on a normal settlement basis	Thursday, 20 April 2017

Note: The timetable above is indicative only and may be subject to change. Emeco reserves the right to amend any or all of these dates and times without notice, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, Emeco reserves the right to extend the closing date of the Entitlement Offer, to accept late applications under the Entitlement Offer (either generally or in particular cases) and to withdraw the Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the issue date of New Shares.

PRO FORMA OWNERSHIP

Emeco's shareholders will hold 36% of the combined group post completion of the Restructure and Acquisitions, prior to the Management Incentive Plan

	% of shares outstanding
Existing Emeco shareholders	27%
Entitlement Offer – Participants	8%
Entitlement Offer – Underwriting Fees	1%
Black Diamond (Excluding Entitlement Offer underwriting)	22%
Other Emeco noteholders	12%
Orionstone shareholders	10%
Orionstone creditors	11%
Andy's shareholders	5%
Andy's creditors	5%
Total	100%


- Existing Emeco shareholders will own 36% of the combined group post-completion of the Restructure and Acquisitions (prior to the Management Incentive Plan) if all existing shareholders fully participate in the Entitlement Offer
 - Black Diamond has been appointed as an Underwriter to the Entitlement Offer for an amount up to A\$10 million
 - Black Diamond may potentially hold up to a maximum of 26% of Emeco's Shares following implementation of the Restructure and Acquisitions and completion of the Entitlement Offer, prior to the Management Incentive Plan
- As disclosed in the Notice of Extraordinary General Meeting and the Explanatory Statement for the Restructure and Acquisitions dated 8 February 2017, the Entitlement Offer has been fully underwritten by Black Diamond (50%), Black Crane Asia Opportunities Fund (10%) and First Samuel (40%), who are existing major shareholders or noteholders of Emeco. The underwriters will be paid a fee equal to 7% of the underwritten amount of \$20 million, by way of the issue of new Emeco shares. The underwriting obligation was subject to a number of conditions precedent relating to (amongst other things) the approval and implementation of the Restructure and Acquisitions, each of which have been satisfied. There are no termination rights under the underwriting agreement. Emeco has otherwise provided customary representations, warranties and indemnities in favour of the underwriters in respect of the Entitlement Offer and matters related to Emeco's business

COMPANY HIGHLIGHTS

A strengthened balance sheet and greater fleet scale and capability, together with Emeco's ongoing focus on business improvement and operational excellence, provide a platform for long term growth

- 1 Strategically compelling mergers providing Emeco with a **significantly enhanced market position**
- 2 Access to **long-term debt and majority shareholder support** – a core competitive advantage through the cycle
- 3 Restructure provides a **sustainable capital structure** with reduced leverage and improved interest coverage with new senior secured notes maturing in FY22 and a refinanced ABL facility providing incremental liquidity
- 4 The combined group is expected to generate **gross cost synergies of \$15 million p.a.** plus significant capital expenditure savings¹
- 5 Focus on **operational excellence**, disciplined financial management and cash generation expected to **continue to reduce debt**
- 6 Combined group management team includes **experienced and capable executives** with deep customer relationships, a track record of innovation and an ability to create project opportunities

1. Based on management estimates and assumed savings due to headcount rationalisation, footprint optimization and reduction in overheads. Actual synergies achieved may differ from this number.



2. Overview of Restructure and Acquisitions

OVERVIEW OF THE RESTRUCTURE AND ACQUISITIONS

On 3 January 2017, Emeco announced that it had signed an amended and restated restructuring support agreement ('RSA') with its financiers and the major creditors and shareholders of Orionstone and Andy's

The RSA sets out the key terms of the Restructure and Acquisitions which comprises:

-
- | | |
|-------------------------------|--|
| Orionstone acquisition | ▪ Acquisition of Orionstone through the exchange of 100% of the ordinary shares of Orionstone for the issue of 9% of Emeco shares on issue |
|-------------------------------|--|
-
- | | |
|---------------------------|--|
| Andy's acquisition | ▪ Acquisition of Andy's through the exchange of 100% of the ordinary shares of Andy's for the issue of 5% of Emeco shares on issue |
|---------------------------|--|
-
- | | |
|-----------------------------|---|
| Debt for equity swap | ▪ Debt for equity swap whereby the claims of the holders of Emeco's A\$371 million ¹ , 9.875% 144A notes due on March 2019, Orionstone creditors and Andy's creditors will be compromised and extinguished in exchange for new senior secured notes for A\$466 million with a 5 year maturity due to expire in March 2022 and cash interest of 9.25% per annum, and shares in Emeco ² |
|-----------------------------|---|
-
- | | |
|--------------------------|---|
| Entitlement Offer | ▪ A\$20m Entitlement Offer, fully underwritten by First Samuel Limited, Black Crane Asia Opportunities Fund and Black Diamond Capital Management in the following proportions: <ul style="list-style-type: none">- Black Diamond – 50% (A\$10 million)- First Samuel – 40% (A\$8 million)- Black Crane – 10% (A\$2 million) ▪ The Underwriters have agreed to pre-fund \$10 million of their underwriting commitment to ensure these funds are available to Emeco on completion of the Restructure and Acquisitions |
|--------------------------|---|
-
- | | |
|--------------------------------|---|
| Revolving loan facility | ▪ Entry into a new revolving loan facility agreement due to expire in March 2020 following cancellation of commitments under Emeco's asset backed loan that is due to expire in December 2017 |
|--------------------------------|---|
-

1. USD282.7 million, 9.875% 144A notes due in March 2019 converted to AUD371 million in the RSA using an exchange rate of 0.763 (AUD390.7 million converted at the RBA quoted exchange rate of 0.7236 on 30 December 2016) 2. Emeco plans to enter into hedging arrangements for the new senior secured notes, which will impact the company's cost of financing

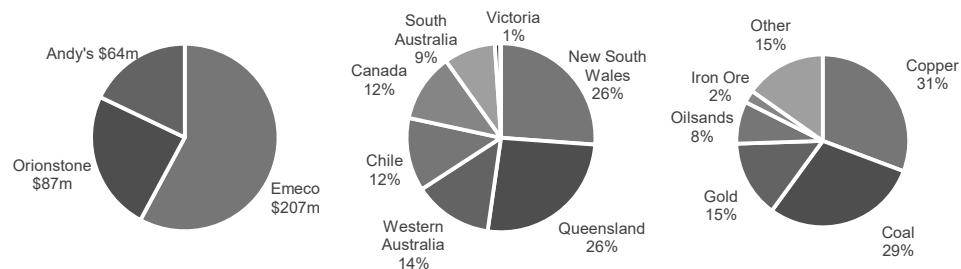
PROFILE OF THE COMBINED GROUP

The combined group will be a stronger, lower cost and more competitive rental company focused on reliably serving customers and developing innovative solutions

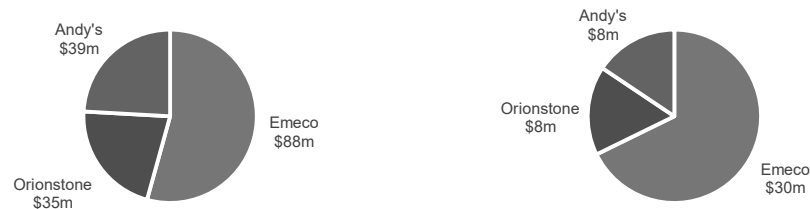
Benefits of the combined group

- Increased fleet capabilities and refreshed fleet age, improving the combined group's capability to create project opportunities
- Both Orionstone and Andy's have valuable expertise in the rental space and deep customer relationships which will benefit the combined group as a whole
- The combined group is expected to generate significant cost synergies and capital expenditure savings
- Enhanced geographic and end market exposure

FY16 Pro Forma Revenue¹



1H17 Pro Forma Revenue² 1H17 Pro Forma EBITDA²



1. Revenue by commodity is estimated based on predominant commodity exposure
 2. No pro forma adjustments have been made to 1H17 Revenue or EBITDA for the post merger group. Until such time as the acquisition accounting can be finalised and the formation of a tax consolidation group considered, the resulting tax, depreciation and amortisation consequences cannot be reliably determined and therefore no pro forma adjustments have been made.

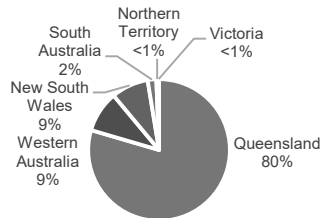
OVERVIEW OF ORIONSTONE

Orionstone brings a high quality fleet, innovative systems, strong maintenance capability and a track record of developing projects to the combined group

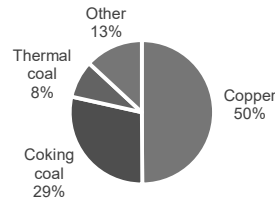
Strategic rationale

- Complementary fleet composition provides greater scope to create project opportunities
- Orionstone's younger fleet will contribute to capital expenditure synergies
- High quality fleet maintenance, business systems and processes
- Provides diversification by customer, geography and commodity
- Combination expected to generate significant cost and capital expenditure synergies
- The current CEO and founder of Orionstone, Mr Ashley Fraser, will remain with the combined group focused on business improvement

Revenue by geography (FY16)¹



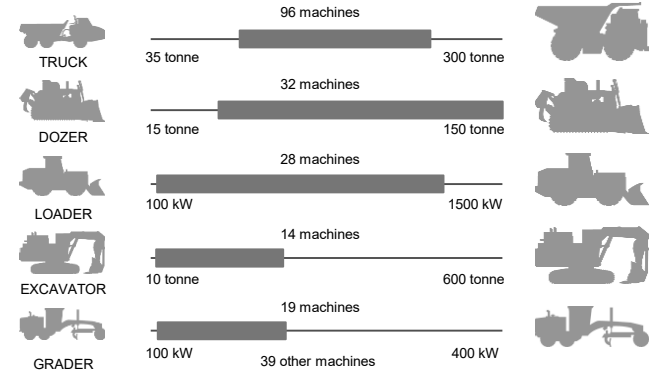
Revenue by commodity (FY16)¹



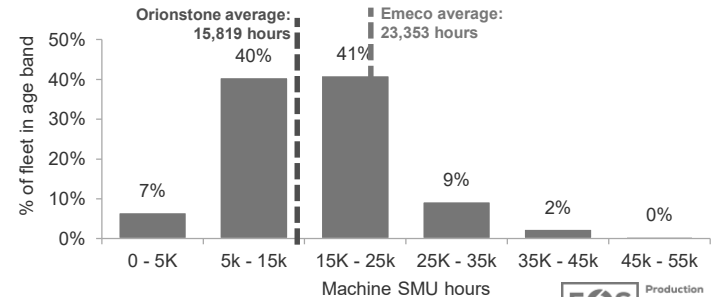
1. Excludes certain non-rental revenue. Revenue by commodity is estimated based on predominant commodity exposure.

2. Fleet age profile is indicative as at September 2016.

Fleet profile



Attractive fleet age profile²



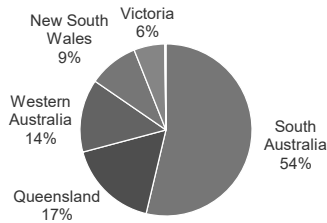
OVERVIEW OF ANDY'S

Merger with Andy's enhances Emeco's customer offering and provides additional fleet diversity

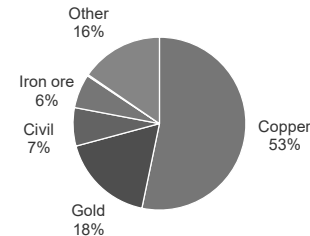
Strategic rationale

- Merging with Andy's provides Emeco with a more diverse rental fleet, customer base and capability as the business has significant expertise in large scale civil earthworks
- Provides diversification by customer, geography and commodity
- Expected to generate significant operating cost synergies
- Expected to generate significant capital expenditure synergies due to the integration of Andy's younger fleet
- The current Managing Director and founder of Andy's, Mr Andy Hoare, will remain with the combined group focused on business development

Revenue by geography (FY16)

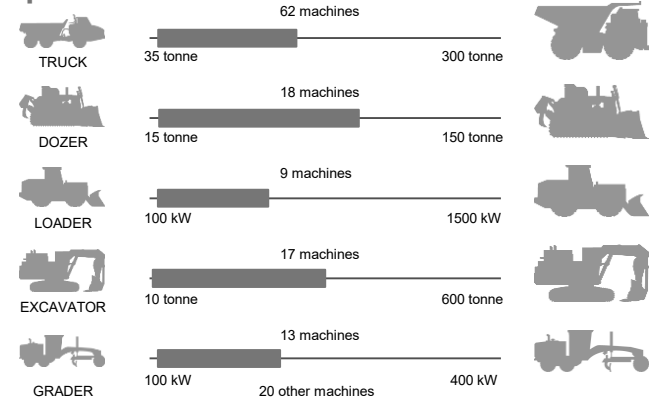


Revenue by commodity (FY16)¹

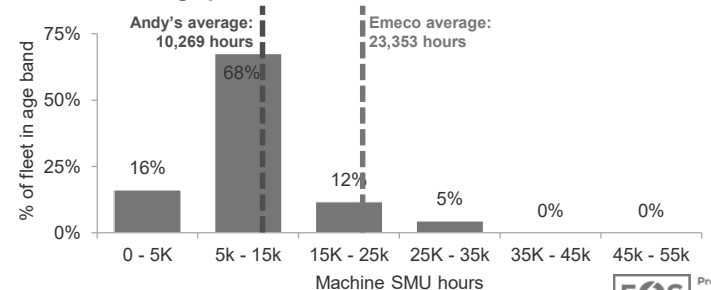


1. Excludes certain non-rental revenue. Revenue by commodity is estimated based on predominant commodity exposure.
2. Fleet age profile is indicative as at September 2016.

Fleet profile



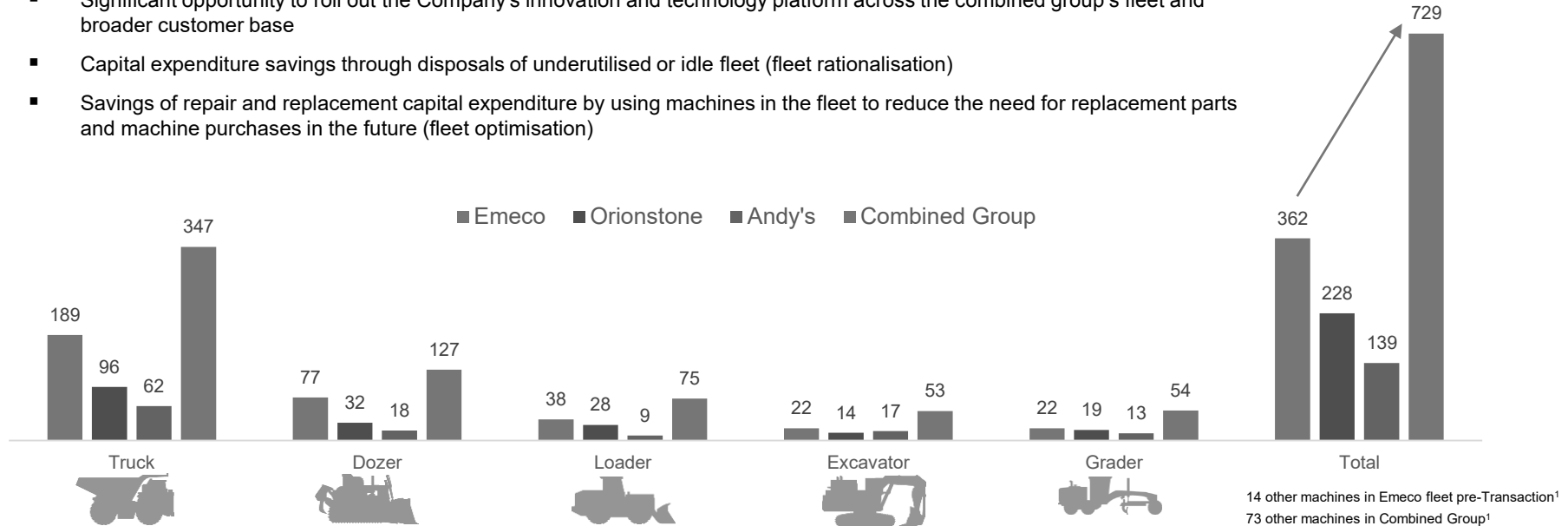
Attractive fleet age profile²



IMPROVED FLEET CAPABILITY

The Restructure and Acquisition results in a 23% reduction in Emeco's average fleet age – 18,003 hours post-Transaction, down from the Company's pre-Transaction average of 23,353 hours¹

- Enhanced fleet capability better placed to serve customers
- Significant opportunity to roll out the Company's innovation and technology platform across the combined group's fleet and broader customer base
- Capital expenditure savings through disposals of underutilised or idle fleet (fleet rationalisation)
- Savings of repair and replacement capital expenditure by using machines in the fleet to reduce the need for replacement parts and machine purchases in the future (fleet optimisation)



1. Fleet age profile and "other machine" count is indicative as at September 2016.
Note: Total includes 73 other machines

MEANINGFUL SYNERGY BENEFITS

The Restructure and Acquisitions provides an opportunity to unlock substantial synergies including incremental revenue opportunities, cost efficiencies and capital expenditure savings

The combined group is expected to generate gross cost synergies of A\$15m on a pro forma annualised basis, in addition to revenue opportunities and capital expenditure synergies¹

Revenue opportunities	<ul style="list-style-type: none">▪ Enhanced fleet capabilities better placed to serve customers and positions the combined group to capture benefits of any market recovery▪ Management expertise and innovative product offering to widen customer value proposition and create new projects▪ Significant opportunity to roll out Emeco's EOS technology across the combined group's fleet and broader customer base
Overhead and cost reductions	<ul style="list-style-type: none">▪ Focus on operational excellence to further reduce operating costs by standardising best practices across the combined group▪ Synergies are expected to be generated by:<ul style="list-style-type: none">— Removal of duplicate sites and operational overlap— Consolidating the combined group's employee base— Head office and shared infrastructure and services savings— Supplier arrangements and savings through volume leverage and economies of scale— Reduced repairs and maintenance expense through operational excellence initiatives
Capital expenditure savings	<ul style="list-style-type: none">▪ Combined group capital expenditure is expected to be materially reduced through:<ul style="list-style-type: none">— Disposals of underutilised or idle fleet (fleet rationalisation); and— Savings of replacement and growth capital expenditure (fleet optimisation) by using machines in the fleet to reduce the need for replacement machine purchases in the future

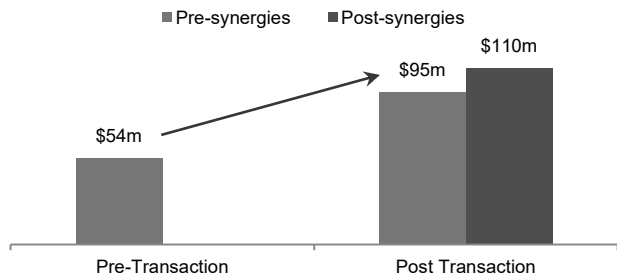
1. Based on management estimates and assumed savings due to headcount rationalisation, footprint optimization and reduction in overheads. Actual synergies achieved may differ from this number.

3. Financial Impact

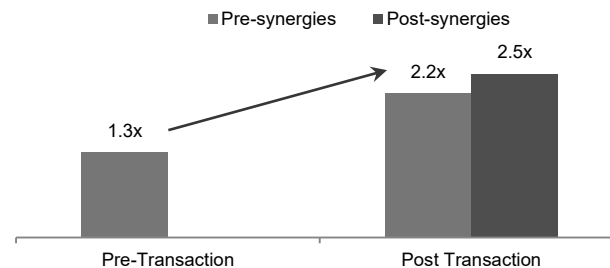
SIGNIFICANTLY ENHANCED FINANCIAL METRICS

The Restructure and Acquisitions reduces pro forma leverage to 4.4x PF FY16 EBITDA¹ with cash generation expected to further deleverage the balance sheet

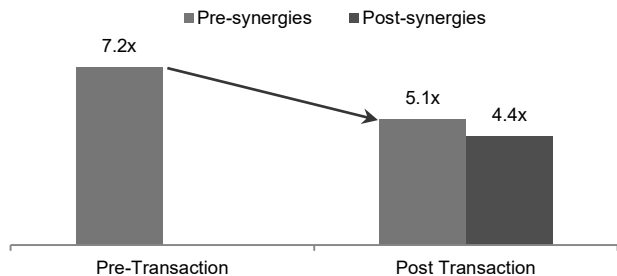
Significantly enhanced scale – FY16 PF EBITDA¹



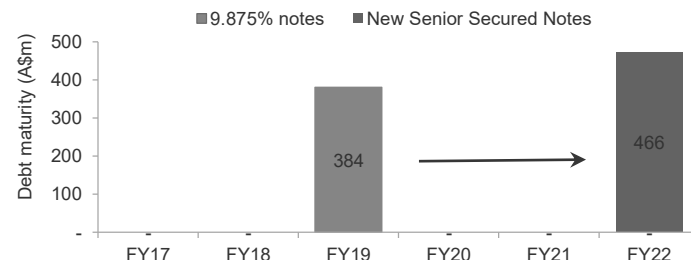
Improved interest coverage^{1,2}



Reduction in net debt / EBITDA¹



Notes maturity extended^{2,3}



1. FY16PF EBITDA is calculated as actual FY16 EBITDA for each company, adjusted for certain extraordinary items plus an annualised run-rate cost synergy of A\$15m. Pre-Transaction debt for EHL only is as 2017 interim results presentation. \$54m of EBITDA represents Emeco's FY16 operating EBITDA.

2. FY16PF interest assumes full year of senior secured note interest and excludes capital lease interest expense. 3. 9.875% notes in A\$m as of 31 Dec 2016.

PRO FORMA COMBINED PROFIT & LOSS INFORMATION

1H17 pro forma profit and loss information (pre-synergies and including one-off costs associated with the transaction)

	Emeco \$'000	Orionstone \$'000	Andy's \$'000	Total \$'000	Swap Closeout ⁴ \$'000	Refinancing ^{3,5} \$'000	Pro forma Combined Group \$'000
Revenue¹	87,783	34,887	38,984	161,654	-	-	161,654
EBITDA²	30,073	8,251	7,741	46,065	-	-	46,065
Depreciation and Amortisation²	(28,691)	(13,416)	(7,029)	(49,136)	-	-	(49,136)
Net Finance Costs^{3,4,5}	(32,728)	(8,957)	(3,433)	(45,118)	1,801	49,045	5,728
NPAT²	(31,346)	(14,122)	(2,721)	(48,189)	1,801	49,045	2,657

Notes:

The above information has been compiled to illustrate the impact of the transaction on the financial performance of the combined group had the transaction taken place on 31 December 2016.

Expected synergies of the combined group have not been reflected in the above table.

Refer to the Notice of Meeting and Explanatory Memorandum for further details on the pro forma adjustments

1. No pro forma adjustments have been made to 1H17 Revenue or EBITDA for the post merger group.
2. Until such time as the acquisition accounting can be finalised and the formation of a tax consolidation group considered, the resulting tax, depreciation and amortisation consequences cannot be reliably determined and therefore no pro forma adjustments have been made.
3. The extinguishment of the existing debt gives rise to an increase in net finance income for the gain on debt forgiveness of \$48.9 million. Net finance costs are increased for the \$10.1 million unwind of the capitalised borrowing costs on the existing debt and the expensing of \$8.7 million of transaction costs associated with the acquisition of Orionstone and Andy's.
4. In the six months ending 31 December 2016, Emeco closed out the remaining interest rate swaps recorded. The pro forma adjustment reflects the reversal of the hedge gain of \$15.4 million recognised in net finance costs and the corresponding foreign exchange expense of \$17.2 million recognised on the unhedged liability.
5. Interest expense of \$21.5 million has been reversed resulting in finance costs of \$24.6 million of which \$21.6 million relates to interest on the new debt that would have been incurred had the Scheme been in place from 1 July 2016 as well as the unwind of capitalised borrowing costs in the amount of \$2.6 million and a further \$0.4 million of interest charges related to existing finance leases. The pro forma assumes an interest rate of 9.25% and Tranche B Notes with a face value of A\$466.5 million. The amount of interest could change depending on the final value of the Tranche B Notes issued and any hedging arrangements entered into

PRO FORMA COMBINED BALANCE SHEET

Pro forma balance sheet as at 31 December 2016

	Emeco \$'000	Orionstone ¹ \$'000	Andy's ¹ \$'000	Total S'000	Refinancing ² \$'000	Entitlement Offer ³ \$'000	Total \$'000
Current Assets	105,038	20,309	13,703	139,050	(34,622)	19,700	124,128
PP&E	283,081	151,536	83,443	518,060	-	-	518,060
Total Assets	414,880	171,912	102,078	688,870	(34,622)	19,700	673,948
Current liabilities	53,455	6,172	89,359	148,986	(63,304)	-	85,682
Non-current liabilities	386,008	149,018	4,460	539,486	(85,414)	-	454,072
Net Assets	(24,583)	16,722	8,259	398	114,095	19,700	134,193

Notes:

The above information has been compiled to illustrate the impact of the Restructure, Acquisitions and Entitlement Offer on the financial performance of the combined group had those transactions taken place on 31 December 2016.

Refer to the Notice of Meeting and Explanatory Memorandum for further details on the pro forma adjustments

- Indicative acquisition accounting has been applied to the acquisition of Andy's and Orionstone using a share price of \$0.078. The consideration is dependent on Emeco's share price on the Completion Date of 31 March 2017 and is likely to differ to that used in the above table. The recognition of any intangible assets, including goodwill and the recognition of any deferred tax assets or liabilities which may arise is subject to the finalisation of the purchase price accounting by Emeco.
- The pro forma adjustment assumes that either directly or indirectly all of the Emeco Notes will be extinguished through a pro-rata share of Scheme Shares and beneficial interests in new Tranche B Notes. The pro forma has assumed the final Tranche B Notes owing will be A\$466.5 million however this could change if anticipated debt repayments are not made by Andy's prior to the Completion Date of 31 March 2017. The Tranche B Notes will be issued in USD and therefore are subject to the prevailing AUD:USD exchange rate. The pro forma assumes an exchange rate of 76.30 cents. The final number of new Shares to be issued will be determined by reference to the Shareholder Equity Allocation Percentage as defined in the RSA and could change on Completion Date. Under the proposed Transaction total debt of \$599.4 million is expected to be extinguished in exchange for the issue of new debt in the form of \$466.5 million of Tranche B Notes and 1,076.9 million new Shares at \$0.078 per Share resulting in a gain on debt forgiveness of \$48.9 million. If the actual Share price or number of Shares issued is different on the date of issue, the gain on debt forgiveness will change. Capitalised transactions costs associated with the existing debt of \$10.1 million has been written off and \$25.9 million of costs associated with the new debt facility have been capitalised, with the balance of the transaction costs (\$8.7 million) being expensed. Total transaction costs are expected to be \$34.6 million, however the final amount may differ on completion.
- The Company is expecting to raise \$19.7 million of cash, net of Share issue costs, through the issue of 183.8 million Shares at \$0.109 per share pursuant to the Rights Offer (share amount excludes the underwriting fee of 7.0%). The fundraising has been fully underwritten. The actual Share price or final number of Shares may be different on the date the Shares are issued.

BASIS OF PREPARATION OF FINANCIAL INFORMATION

Basis of Preparation

The basis of preparation in compiling the combined group's profit and loss information post Restructure, Acquisition and Entitlement Offer and the combined group's balance sheet post Restructure, Acquisition and Entitlement Offer disclosed on slides 21 and 22 of this presentation is set out below:

- The pro forma historical financial information has been prepared in accordance with the recognition and measurement principles described in Australian Accounting Standards (including Australian Accounting Interpretations). The accounting policies used in preparation of the pro forma historical financial information are materially consistent with those set out in the Emeco annual report for the year ended 30 June 2016.
- The pro forma historical financial information is presented in an abbreviated form and does not contain all the disclosures required by Australian Accounting Standards in an annual financial report prepared in accordance with the Corporations Act.
- The pro forma historical financial information has been derived from Emeco's unaudited Interim Financial Report for the half year ended 31 December 2016 and the unaudited management accounts for the half year ended 31 December 2016 for Orionstone and for Andy's.
- Emeco's complete Interim Financial Report for the half year ended 31 December 2016 is available from Emeco's website www.emecogroup.com, or ASX's website www.asx.com.au.
- The pro forma historical financial information illustrates the financial performance of the combined group as if the Restructure, Acquisition and Entitlement Offer was effective from 1 July 2016 for the purposes of the profit and loss information and as at 31 December 2016 for the purposes of the balance sheet. The pro forma financial information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of Emeco's (or anyone else's) views on Emeco's future financial position and / or performance.

4. Strategy and Outlook

STRATEGY AND OUTLOOK

Clear strategic focus

FY17 objectives

- Increase operating utilisation in response to improved commodity markets
- Execute and integrate merger with Orionstone and Andy's

Ongoing strategic goals



① Financial discipline

- Continued focus on reducing balance sheet leverage and capital structure optimisation
- Ongoing cost discipline and industry leading EBITDA margins
- Extract merger opex and capex synergies

② Innovation

- Accelerate rollout and increase investment in EOS technology
- Widen Emeco's value proposition through a focus on improving equipment productivity
- Expand the use of EOS as a tool to monitor and extend component life

③ Industry leadership

- Lead the industry in:
 - Innovative Asset Management
 - Excellence in site based maintenance
 - Utilising EOS to improve customers performance through increased productivity and reduced cost

④ Sustainable growth

- Build a portfolio of projects where Emeco provides full mining fleet
- Pursue strategic M&A opportunities with a focus on enhancing our value proposition
- Develop relationship with strategic partners that are better suited to large scale investment in assets

⑤ Underpinned by our continuous focus on operational excellence

A. Risk Factors



RISK FACTORS

Introduction

Investors should be aware that there are risks associated with an investment in Emeco.

Some of the principal factors which may, either individually or in combination, affect the future operating performance of Emeco are set out below. Some are specific to an investment in Emeco and the New Shares and others are of a more general nature.

The summary of risks below is not exhaustive. This Presentation does not take into account the personal circumstances, financial position or investment requirements of any particular person. Additional risks and uncertainties that Emeco is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect the future performance of Emeco and the New Shares.

The Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow entitlement offers to be made without a prospectus. This presentation does not contain all of the information which may be required in order to make an informed decision regarding an application for New Shares offered under the Entitlement Offer. As a result, it is important for you to carefully read and understand the information on Emeco made publicly available, prior to selling, transferring or accepting all or part of your Entitlement. In particular, please refer to this Presentation, Emeco's half year and annual reports (including Emeco's most recent half year FY17 results announcement lodged with the ASX on 28 February 2017) and other announcements lodged with ASX (including announcements which may be made by Emeco after publication of this Presentation). Further detail regarding the Restructure and the Acquisitions is set out in the ASX announcement lodged by Emeco on 23 February 2017: Supplementary Notice of Extraordinary General Meeting and Explanatory Memorandum and on 8 February 2017: Notice of Extraordinary General and Explanatory Memorandum. You should have regard to your own investment objectives and financial circumstances and should seek professional guidance from your stockbroker, solicitor, accountant or other professional adviser before deciding whether or not to invest.

Business risks

Access to and supply of used and new equipment

In order to generate revenue and earnings, the Company requires access to new and used earthmoving equipment and parts.

If the Company is unable in the future to secure adequate supplies of the required number of machines at appropriate prices or if the quality of the available machines is not acceptable, the Company's operational and financial performance may be adversely affected.

The Company's ability to source new replacement equipment is dependent on relationships and contracts with dealers for original equipment manufacturers (OEMs), as well as its ability to access the used market through brokers. The Company's relationship with OEM dealers, such as Caterpillar, Komatsu and Hitachi, are influenced by the volumes of machines and parts it purchases and the level of industry demand. The Company has access to a global broker network of which it participates both as a procurer and seller of equipment. This network provides the Company with the ability to access low-hour, used equipment at comparable prices when required. The Company also sources equipment parts from both OEM and non-OEM providers to extend the useful life of its equipment, particularly when increased demand or pricing makes it difficult to source new or used equipment.

The Company could be adversely impacted by any incidents affecting the ability of these manufacturers to produce and deliver mining equipment, including casualty events affecting production facilities, work stoppages or strikes, financial difficulties of our suppliers, transport disruptions, or other events or circumstances. It may be difficult to locate alternative manufacturers in the event of any disruptions which could have a material adverse impact on the Company's revenue.

Any change in the Company's relationships with these OEMs or brokers may result in a shortage of equipment and parts which would constrict the Company's ability to enter new contracts or fulfil existing contracts and adversely impact future earnings and financial performance.

Loss of key management personnel and ability to attract and retain skilled workers

The Company's ability to remain productive, profitable and competitive and to implement planned growth initiatives depends on the continued employment and performance of senior executives and other key members of management. The Company's performance also depends on its ability to attract and retain skilled workers with the relevant industry and technical experience.

If any one of these individuals resigns or becomes unable to continue in his or her present role and is not adequately replaced in a timely manner, business operations and the ability to implement the Company's strategies could be materially disrupted. The loss of a number of key personnel or inability to attract additional personnel may have an adverse impact on the financial and operating performance of the Company. There can be no assurance that the Company will be able to attract and retain skilled and experienced employees and, should it lose any of its key management personnel or fail to attract qualified personnel, its business may be harmed and its operational and financial performance could be adversely affected.

RISK FACTORS

Business risks (cont.)

Integration risk and the realisation of synergies

The long term success of the Combined Group will depend, among other things, on the success of the Emeco Board and senior management team in integrating the respective businesses of Andy's and Orionstone. While it is expected that the respective businesses can add value to the Combined Group in part through the realisation of operational and capital synergies, expected synergies may not be realised due to various factors, including the risks that:

- I. integration may be subject to unexpected delays, challenges, liabilities and costs;
- II. the anticipated efficiencies and benefits of integration may be less than estimated;
- III. there may be a loss of key personnel, customers, suppliers or other contractual arrangements within the Combined Group; and
- IV. changes in supply and demand in the broader mining equipment market could result in the timing and value of asset sales differing from forecasts, including situations where higher demand for the Company's services results in machines being allocated to jobs as opposed to being identified as surplus assets resulting in a reduction in disposals

These risks may be realised because of factors including the required involvement of third parties in the achievement of operational and capital synergies, possible differences in the management culture of the three businesses, an inability to achieve cost savings or the potential loss of key personnel.

If the integration of the respective businesses is not achieved in an orderly manner, and within the assumptions as stated in the Explanatory Memorandum, the expected synergies and benefits may be achieved only in part, or not at all. This could adversely impact the Combined Group's financial performance and position, and the future prospects of the Combined Group.

Fleet age and maintenance expenditure risk

Earthmoving equipment age is determined by the hours it has been utilised as opposed to the period of time since manufactured. In periods of high utilisation, equipment ages at a faster rate bringing forward any major components and replacement at end of life. Given the nature of the Company's operations, its fleet will age over time. As its fleet of rental equipment ages, the cost of maintaining such equipment, if not replaced within a certain period of time, may increase. Determining the optimal age of fleet equipment is subjective and requires estimates by management with asset management expertise. The Company has made estimates regarding the relationship between the age of its fleet rental equipment, the maintenance and repair costs, and the market value of used equipment.

Future operating and financial performance could be adversely affected because maintenance and repair costs may be higher than estimated, it must be undertaken earlier than anticipated, or if there is a significant operational failure requiring unplanned maintenance expenditure. Future operating and financial performance could be adversely affected because market values of used equipment may fluctuate and are generally lower as a piece of equipment ages. In addition, the cost of the new equipment used in its fleet may increase, and therefore the Company may spend more on replacement equipment. Any such cost increases could materially and adversely impact the operating and financial performance of the Company.

These risks may be heightened to the extent that the ageing of its fleet accelerates. The ageing of the Company's fleet could accelerate if it needed to continue to constrain capital expenditure on replacement equipment instead choosing to replace components to extend the useful life because of challenging market conditions and lower than historical rates of utilisation.

Residual value risk

The market value of any given piece of rental equipment could be less than its depreciated value at the time it is sold. The market value of used rental equipment depends on several factors, including:

- i. the market price and availability for new equipment of a like kind;
- ii. wear and tear on the equipment relative to its age and the performance of preventive maintenance;
- iii. the time of year that it is sold;
- iv. the supply of used equipment on the market;
- v. the existence and capacities of different sales outlets;
- vi. the age of the equipment at the time it is sold;
- vii. the age of major component life in the equipment;
- viii. the equipment model and its market acceptability;
- ix. worldwide and domestic demand for used equipment; and
- x. general economic conditions.

The Company includes in revenue from continuing operations the difference between the sale price and the depreciated or impaired value of an item of equipment sold. Changes in assumptions regarding depreciation could change the Company's depreciation expense, as well as the gain or loss realised upon disposal of equipment.

Sales of the Company's used rental equipment at prices that fall significantly below projections or in lesser quantities than anticipated will have a negative impact on the future revenue, earnings and cash flows.

These risks may be heightened if the Company needs to sell equipment to better align the size of the fleet with utilisation rates because of challenging market conditions and lower than historical rates of utilisation.

The Company reported A\$18 million of proceeds in FY16 from the sale of equipment (A\$14 million FY15). This was classified as other income.

RISK FACTORS

Business risks (cont.)

Consolidation of customers and suppliers	Consolidation in the industries of the Company's customers or suppliers may reduce its bargaining power with those customers or suppliers and lead to the Company transacting on less advantageous financial and commercial terms with those customers or suppliers. It may also lead to the loss of such customers, which would adversely affect the Company's operational and financial performance.
Information systems risks	The Company relies on computer, information, and communications technology and related systems in order to properly operate the administrative and compliance aspects of its business. From time to time, the Company experiences occasional system interruptions and delays. The Company has processes in place to respond to system interruptions and delays. However, in the event it is unable to regularly deploy software and hardware, effectively upgrade its systems and network infrastructure, and take other steps to maintain or improve the efficiency and efficacy of its systems, the operation of such systems could be interrupted or result in the loss or corruption of data. In addition, the Company's computer systems are subject to the risks of unauthorised access, computer hackers, computer viruses, malicious code, organized cyber-attacks and other security problems and system disruptions, including possible unauthorised access to the Company's and its customers' proprietary or classified information. The Company relies on industry-accepted security measures and technology to securely maintain all confidential and proprietary information on its information systems. The Company has devoted, and will continue to devote, significant resources to the security of its computer systems, however they may still be vulnerable to these threats. A user who circumvents security measures could misappropriate confidential or proprietary information or cause interruptions or malfunctions in operations. As a result, the Company may be required to expend significant resources to protect against the threat of these system disruptions and security breaches or to alleviate problems caused by these disruptions and breaches. Any of these events could damage the Company's reputation and have a generally material adverse effect on its operating and financial performance.
Mine site interruptions	Mining operations are vulnerable to the risk of interruption as a result of a variety of factors, which may be beyond the control of the Company, including the following: i. prolonged heavy rainfall or cyclone; ii. geological instability, including strong seismic activity, landslides, mudslides, iii. rockfalls, cave-ins, or conditions that threaten to result in such an event; iv. accidents or unsafe conditions; v. issues with mine ventilation; vi. equipment breakdowns; vii. industrial relations issues; and viii. scarcity of materials and equipment. Interruptions to a customer's mining operations would limit the Company's revenue to any agreed fixed monthly charges. In addition, delays to the commencement of projects for which the Company has been contracted to provide rental equipment or maintenance services may occur as a result of the factors listed above or other factors beyond the control of the Company, such as the mining customer underestimating the lead time required to commence operations. Interruptions to existing operations or delays in commencing operations experienced by customers may result in lost revenue and, in some circumstances, result in the Company incurring additional costs, which may have a material adverse effect on the Company's future financial performance.
Workplace safety	The maintenance of mining equipment involves risks and dangers to the personnel involved, including the risk of personal injury and, in exceptional circumstances, loss of life associated with operating heavy machinery. Mining customers seeking rental solutions demand mining equipment to be in excellent operating condition and to have market leading safety features installed. It is possible that there may be accidents in the future in the operation of the mining equipment the Company supplies, which could result in a deterioration of its safety record. The Company's ability to supply safe rental equipment and onsite maintenance services to customers and to keep its employees safe is fundamental to the Company's business in a number of respects, including: i. the Company's safety record is a key criterion that mining customers use when evaluating tenders for mining equipment rental and maintenance services, since mining customers must ensure their operations adhere to the highest safety standards; and ii. safety incidents may result in operations at the affected site being suspended while the incident is being investigated. As a consequence, if the Company fails to supply equipment in excellent operating condition, conducts its onsite maintenance services in a safe manner or if accidents occur that are beyond its control, the Company may fail to win new contracts for equipment rental or maintenance services, fail to have existing contracts renewed, have existing contracts terminated or face increased competition if customers compare the Company's safety to its competitors. Any of these consequences could have a material adverse effect on the Company's operating and financial performance.

RISK FACTORS

Business risks (cont.)

Environmental risks	<p>Environmental management and compliance is an important part of the business of the Company's customers. The Company works with its customers to ensure that its equipment and maintenance services operate in alignment with their onsite policies, management systems and procedures.</p> <p>The Company's actions or failures to act may result in the mining customers for which it performs services incurring environmental liability, regulatory penalties, or having licenses suspended, cancelled or subjected to additional conditions. Some of the Company's customer contracts contain indemnities under which it is obliged to compensate the customer for certain losses resulting from environmental incidents for which the Company is responsible.</p> <p>As a result, environmental incidents may result in the Company incurring substantial obligations to compensate its customers which could have a material adverse effect on the Company's operational and financial performance.</p>
Market conditions	<p>Demand for the Company's mining equipment rental services depends in significant part upon the level of earth moving activities conducted by its customers, which are mining companies or contract miners, in the movement of overburden and mined resource.</p> <p>Due to the geographic and commodity mix of the Company's customers, revenues are indirectly exposed to the prices of gold, thermal and metallurgical coal, oil sands, iron ore and copper. FY16, 25% of revenues were generated from the provision of mining equipment rental services to thermal coal mining customers, 10% to coking coal mining customers, 19% to copper mining customers, 19% to gold mining customers, 13% to oil sands mining customers, and 2% to iron ore mining customers.</p> <p>For the combined group on a FY16 pro forma basis, 31% of pro forma revenue was generated from copper customers, 29% coal customers, 15% gold customers, 8% oil sands customers, 2% iron ore customers and the balance from other commodities (15%).</p> <p>Activity levels and results of operations are dependent on the production levels at the mines where equipment is used and the volume of earth moved under the relevant mine plans. Customers' mining activities and the volume of earth moved by them, either temporarily or long term, is influenced by many factors, including the global demand for commodities, current and expected commodity prices, general economic conditions, and the application and impact of the local regulatory environment.</p> <p>If these drivers of earthmoving volumes are negatively impacted, this may lead to a decrease in the demand for the Company's equipment and the rental rates that the Company can charge of earthmoving volumes. During the last 24 months, the mining sector in Australia, Chile, Canada and globally, has weakened as a result of weaker economic conditions globally and commodity prices. Mining companies have focused on cost reductions with a number of mining companies reducing costs and capital expenditure, resulting in lower earthmoving volumes and demand for the Company's rental equipment. As a result of this market weakness, the Company's rental revenue and financial performance have been negatively impacted.</p> <p>Notwithstanding the recent increase in commodity prices, the occurrence of, timing and sustainability of a broad based market recovery is uncertain and even in the case where the recent strength in market conditions continues, the corresponding increase in earthmoving volumes and improvement in the Company's performance may be significantly delayed or short term in nature due to other factors such as market competition, difficulty in achieving synergies or the loss of key personnel.</p>
Competition	<p>There are two levels of competition that the Company experiences in the industry. The first is for the supply of equipment and if a customer would prefer to purchase equipment as opposed to rent equipment from a provider. The second level occurs when the customer has decided to pursue a rental solution as the Company operates in a highly competitive industry. There are a number of competitors, including contract miners and other earthmoving equipment rental suppliers, that currently provide services similar to those provided by the Company. These competitors may have significant additional capital, financial and other resources compared to the Company, impacting its ability to compete as successfully in the future as it has in the past. OEMs also compete directly with the Company.</p> <p>The Company generally competes on the basis of, among other things, reliability, price, service offerings and the age, mix and relative attractiveness of its rental equipment fleet. There can be no assurance that customers will agree to renew expiring contracts on terms acceptable to the Company or at all.</p>

RISK FACTORS

Business risks (cont.)

Contractual risks

The Company's revenue is dependent on winning new contracts and operates in an increasingly competitive market. It is difficult to predict whether and when new contracts will be awarded due to multiple factors influencing how customers evaluate potential service providers, such as rental rates, fleet quality, maintenance and safety standards, experience, reputation, customer relationships, financial strength, and ability to provide mining equipment rental services in a timely, safe, and cost-efficient manner.

Consequently, the Company is subject to the risk of losing new awards to competitors which will adversely impact its business, results of operations and financial position.

Operational and financial performance including cash flows may fluctuate from quarter to quarter depending on the timing and size of new contract awards.

Additionally, increased competition and softer market conditions have limited the Company's negotiating power with customers on contract terms where even if the Company is successful in obtaining new contracts and awards, the new contracts may increasingly deviate from the standard terms that the Company seeks to obtain.

Additionally, a significant portion of the Company's revenues are subject to short term contracts with varying terms and substantially all of customer contracts permit the customer to terminate the contract on short notice and without compensation for lost revenue. The term of the Company's customer contracts typically ranges from two to 36 months. The early termination of a contract by one or more of the Company's customers could have a material adverse effect on its business, results of operations and financial condition. If several of the Company's customers were to terminate their relationship with us or fail to renew an expiring contract, the Company's revenues and profits would be significantly adversely affected.

Emeco also enters into contracts with its suppliers for the provision of mining equipment. A number of these contracts may be terminated for convenience by the supplier. There is a risk that suppliers may default on their obligations under contracts entered into with Emeco or terminate those supply arrangements and this may result in non-performance or delays in the provision of equipment to Emeco.

Furthermore, certain of the Company's material contracts with both customers and suppliers contain provisions which allow a counterparty to terminate the contract as a result of the implementation of the Restructure and the Acquisitions or otherwise for convenience.

The Company has sought the support of all counterparties to material contracts that contain provisions of this sort. Negotiations with these counterparties are ongoing however, to date, no counterparties have indicated that they will terminate such contracts as a result of implementation of the Restructure and the Acquisitions.

Indebtedness

If the Restructure and the Acquisitions are implemented, the Company's gross debt position is expected to be approximately \$466 million of Tranche B Notes and approximately A\$13 million of finance leases. The Company will have the ability to access up to A\$35 million in additional debt and A\$30 million in bank guarantee commitments under the new A\$65 million revolving loan facility. While the Restructure and the Acquisitions result in a reduction of the Company's total gearing metrics from prior to implementation of the transactions, this level of total potential Indebtedness still has important consequences for the Company and its Shareholders, including the following:

- i. requiring the Company to dedicate a material portion of its cash flow from operations to meet principal and interest payments thereby reducing the availability of cash flow to fund working capital, capital expenditures, acquisitions and other general corporate purposes;
- ii. increasing the Company's vulnerability to adverse general economic or industry conditions, commodity prices and exchange rate fluctuations;
- iii. subjecting the Company to a number of covenants and ongoing obligations which reduce its flexibility in planning for, or reacting to, changes in the Company's businesses or industry; and
- iv. placing the Company at a competitive disadvantage compared to its competitors that have less debt or are not subject to similar negative covenants.

Debt servicing and refinancing risk

The Tranche B Notes need to be fully repaid, renewed or refinanced on or before March 2022. The new revolving loan facility will need to be fully repaid, renewed or refinanced in FY2020.

The ability of the Company to repay or reschedule the Tranche B Notes and the new revolving loan facility will ultimately be contingent on mining and exploration market activity, commodity prices, AU\$/US\$ exchange rate outcomes, achievement of integration plans and forecast synergies, the ability of the Company to source additional funds through debt and equity markets and capital market risks at the time of refinancing.

If market conditions deteriorate significantly against current projections a shortfall is likely.

Accordingly, in these circumstances there would be significant uncertainty as to the Company's ability to fully repay, refinance or reschedule the outstanding Tranche B Notes and the new revolving loan facility at their respective maturity dates and therefore the Company's ability to continue as a going concern.

As such, the Company would need to consider alternative financing arrangements prior to the maturity of those debt facilities, which may include refinancing or restructuring existing facilities, securing new facilities on acceptable terms or securing alternative funding (including potentially through raising additional shareholder equity). There is no guarantee that alternative financing arrangements would in these particular circumstances be successful.

RISK FACTORS

Business risks (cont.)

Foreign jurisdiction risks

The Company currently has operations in Australia, Canada and Chile and may seek growth and expansion in additional markets, including in North and South America. The Company's operations are subject to political, economic and other risks normally associated with the conduct of business in foreign countries as well as factors specific to the regions. Some of the risks to which the Company is exposed, directly or indirectly, include among others:

- i. changes in foreign laws or regulations;
- ii. changes in laws and policies governing operations of foreign based companies;
- iii. changes in tax laws;
- iv. changes in mining policies;
- v. tax increases or claims by governmental entities;
- vi. labour disputes;
- vii. corruption;
- viii. transparency of the legal system;
- ix. retroactive tax or royalty claims;
- x. revocation of consents or approvals;
- xi. restrictions on the use of land and natural resources;
- xii. restrictions on production, supplies and essential services;
- xiii. export controls;
- xiv. expropriation or nationalisation of property;
- xv. inflation of costs that is not compensated by a currency devaluation;
- xvi. restrictions on the remittance of dividend and interest payments offshore;
- xvii. environmental controls and permitting;
- xviii. opposition to mining from environmental or other non-governmental organizations;
- xix. obtaining various approvals from regulators;
- xx. invalidation of government orders and permits;
- xxi. foreign exchange restrictions and currency fluctuations;
- xxii. changing political conditions, currency controls and governmental regulations that favour or require awarding contracts to local contractors or require foreign contractors to employ citizens of, purchase supplies from or use service providers from a particular jurisdiction;
- xxiii. loss due to civil strife, acts of war, guerrilla activities, acts of sabotage, territorial disputes;
- xxiv. insurrection and terrorism; and
- xxv. other risks arising out of foreign sovereignty issues.

Such risks could potentially arise in any country in which the Company operates, although risks may be higher in the developing countries in which the Company conducts some of its activities. These risks may divert investment in mining operations, which may adversely affect mining production activity and the demand for rental and maintenance services as well as adversely affecting the secondary market for used equipment.

The Company's operations in these areas also increases its exposure to risks of war, local economic conditions, political disruption, civil disturbance, expropriation, terrorism and governmental policies that may:

- a. disrupt operations;
- b. require the Company to incur greater costs for security;
- c. restrict the movement of funds or limit repatriation of profits;
- d. lead to international sanctions; or
- e. limit access to markets for periods of time.

Risk assessments may also categorise threats as serious enough to require resort to public security forces, such as national police or military units on a near-permanent basis. In the event that continued operation in some countries compromises the Company's security or business principles, it may withdraw from these countries on a temporary or permanent basis. This could have a material adverse impact on the Company's financial and operating performance.

RISK FACTORS

Business risks (cont.)

Registration of Security Interests	Under Australian law, businesses that rent or lease equipment to customers, such as the Company does, can lose legal title to that equipment in certain circumstances where the customer who has rented that equipment becomes insolvent or goes into administration (Insolvency Event), and the owner of the equipment hasn't registered a security interest with respect to that equipment prior to that Insolvency Event. Additionally, registrations of security interests can be ineffective if the details provided in the registration do not satisfy legal requirements. While the Company has systems in place that are designed to ensure that effective registrations are made in a timely way, and these systems will be applied to the businesses being acquired under the Acquisitions, there is a risk that the Company may lose title to equipment that it would otherwise have title to, and the Company may be adversely affected as a result.
Insurance risks	Although insurance is maintained for ownership and rental of equipment within ranges of coverage consistent with industry practice, no assurance can be given that such insurance will be available in the future on commercially reasonable terms or that any cover will be adequate and available to cover any or all claims. Insurance of all of the risks associated with equipment rental or maintenance services is not always available and, where available, the costs can be prohibitive. Furthermore the Company's insurance does not cover its fleet while it is rented at a customer's site and, in such circumstances, the Company is reliant on the customer's insurance policies or credit quality to compensate it in the event of a loss. If the Company incurs uninsured losses or liabilities, its operating and financial performance may be adversely affected.
Regulatory risks	Changes in legislative and administrative regimes, taxation laws, interest rates, other legal and government policies in Australia may have an adverse effect on the assets, operations and ultimately the financial performance of the Company and the market price of Shares.
Claims, liability and litigation	The Company may have disputes with counterparties in respect of major contracts, or may be exposed to customer or environmental, occupational health and safety or other claims. The Company may incur costs in defending or making payments to settle any such claims, which may not be adequately covered by insurance or at all. Such payments may have an adverse impact on the Company's profitability or financial position.
Due diligence in relation to acquisition of Orionstone and Andy's	Although the annual financial statements of Orionstone and Andy's are audited, the pro forma financial information in this presentation in respect of Orionstone and Andy's is subject to a number of assumptions and has not been subject to audit and may not be indicative of actual results. A material unidentified misstatement of the recent financial performance of the business could potentially have a material adverse impact on the Company into the future. Emeco undertook a due diligence process in respect of Orionstone and Andy's, which relied in part on the review of legal and other information provided by Orionstone and Andy's. While Emeco considers the due diligence process undertaken to be appropriate, Emeco has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it against independent data. Similarly, Emeco has prepared (and made assumptions in the preparation of) the financial information relating to Orionstone and Andy's on a stand-alone basis and also to Emeco post-completion. If any of the data or information provided to and relied upon by Emeco in its due diligence process and its preparation of this presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of Emeco may be materially different to the financial position and performance expected by Emeco and reflected in this Presentation. Shareholders should also note that there is no assurance that the due diligence conducted was conclusive and that all material issues and risks in respect of the Restructure and Acquisitions have been identified and avoided or managed appropriately. Therefore, there is a risk that unforeseen issues and risks may arise, which may also have a material impact on Emeco (for example, Emeco may later discover liabilities or defects which were not identified through due diligence or for which there is no protection for Emeco). This could adversely affect the operations, financial performance or position of Emeco. Further, the information reviewed by Emeco includes forward looking information. While Emeco have been able to review some of the foundations for the forward looking information relating to Orionstone and Andy's, forward looking information is inherently unreliable and based on assumptions that may not be achieved or satisfied in the future.

RISK FACTORS

Business risks (cont.)

Completion of the Proposed Transaction	<p>Completion of Proposed Transaction is expected to occur on or about 31 March 2017. Although approvals have now been received from shareholders, noteholders and the Federal Court, the Proposed Transaction is still subject to a number of conditions precedent to completion. Should these conditions not be met, for whatever reason, the Proposed Transaction may not proceed. If the Proposed Transaction does not complete for any reason, the Company will consider options in relation to the use of funds raised under the Entitlement Offer, including use of the funds for payments of costs incurred in connection with the Proposed Transaction, working capital purposes or the repayment of debt.</p> <p>In the event that the Transaction does not complete, the company will remain highly leveraged with its senior secured notes maturing in 2019 and asset backed loan facility maturing in 2017. Together with its financial, accounting and legal advisers, would re-assess the company's financial position in due course and consider whether any other potential transactions available should be pursued.</p>
Future earnings and acquisition accounting risk	<p>Emeco has undertaken financial and business analysis of Orionstone and Andy's in order to determine its attractiveness to Emeco and whether to pursue the Acquisitions. To the extent that the actual results achieved by Orionstone and Andy's are weaker than those anticipated, or any difficulties in integrating the operations of Emeco, there is a risk that the profitability and future earnings of the operations of Emeco may differ (including in a materially adverse way) from the pro forma performance as reflected in this presentation.</p> <p>Following completion of the Acquisitions, Emeco will undertake a formal fair value assessment of all of the assets, liabilities and contingent liabilities of Andy's and Orionstone. The pro forma adjustments to reflect the estimated financial effect of the accounting for the business combination in this presentation are illustrative only. Australian Accounting Standards require an allocation of fair value of assets and liabilities acquired. The inclusion of Andy's and Orionstone reflects provisional amounts for the assets and liabilities acquired based on historic costs other than goodwill. Post Acquisitions a purchase price allocation exercise will be undertaken which may identify amortisable intangibles and impact future depreciation and amortisation charges. Additionally, the allocation exercise may give rise to material differences in values allocated to the balance sheet.</p>
Availability of tax losses	<p>Generally, tax losses may only be carried forward and recouped against future taxable income if a company satisfies the continuity of ownership test (COT), or failing that, the same business test (SBT). In broad terms the tests are as follows:</p> <ol style="list-style-type: none">I. the COT requires that the same ultimate owners must beneficially own the same shares that carry more than 50% of all voting, dividend and capital rights from the time the loss was incurred to the time the loss is to be recouped; andII. the SBT requires a company to carry on at all times during the year the losses are recouped, the same business as it carried on immediately before the change in beneficial ownership that caused the COT to be failed. In order for the SBT to be satisfied, the following must occur:<ol style="list-style-type: none">a) The entity must carry on the same (as distinguished from merely similar) business during the year of recoupment/income as it did immediately before it failed the COT.b) The entity must not derive any income in respect of a business of a kind it did not carry on before the COT failure.c) The entity must not derive income from a transaction of a kind that it had not entered into in the course of its business operations prior to the COT failure. <p>As the Company will issue a significant number of Shares as part of the Restructure and the Acquisitions, this will result in a COT testing point. As a result of the Restructure and the Acquisitions there is therefore a risk that the Company could drop below the required 50% continuity of Shareholders for these purposes and fail the COT. In addition, due to the scale of the new businesses entering the Emeco tax consolidated group, there is a risk that the Restructure and the Acquisitions could also cause the tax consolidated group to fail the SBT. Where the tax consolidated group fails both the COT and SBT it would be unable to recoup any of the current balance of carried forward tax losses in future income years.</p>

RISK FACTORS

Risks associated with the Entitlement Offer and Share ownership

Risks associated with an investment in Shares	<p>There are general risks associated with investments in equity capital such as Emeco shares. The trading price of Emeco shares may fluctuate with movements in equity capital markets in Australia and internationally. This may result in the market price for the New Shares being less or more than the Entitlement Offer Price. Generally applicable factors that may affect the market price of shares include:</p> <ul style="list-style-type: none">• general movements in Australian and international stock markets;• investor sentiment;• Australian and international economic conditions and outlook;• changes in interest rate and the rate of inflation;• changes in government legislation and policies, in particular taxation laws;• announcement of new technologies;• geo-political instability, including international hostilities and acts of terrorism;• demand for and supply of Emeco securities;• announcements and results of competitors;• analyst reports; and• future issues of Emeco securities
Risks associated with selling or transferring Entitlements under the Entitlement Offer	<p>No assurances can be given that the New Shares will trade at or above the Entitlement Offer Price. None of Emeco, its directors or any other person guarantees the market performance of the New Shares. The operational and financial performance and position of Emeco and Emeco's share price may be adversely affected by a worsening of general economic conditions in Australia, as well as international market conditions and related factors. It is also possible that new risks might emerge as a result of Australian or global markets experiencing extreme stress or existing risk, may manifest themselves in ways that are not currently foreseeable. The equity markets have in the past and may in the future be subject to significant volatility.</p> <p>The New Shares under the Entitlement Offer are being issued at a premium to Emeco's current share prices (as at last close on 20 March 2017). There is no guarantee that a market will develop for the sale of Entitlements or that shareholders will be able to sell their Entitlements on ASX, or that the Entitlements will have any value at all. Prices obtainable for Entitlements may rise and fall over the Entitlements trading period. If you sell your Entitlements at one stage in the Entitlements trading period, you may receive a higher or lower price than a shareholder who sells their Entitlements at a different stage in the Entitlement trading period.</p> <p>If you sell or transfer all or part of your Entitlement or do not participate in the Entitlement Offer, you will forgo any exposure to future increases or decreases in the value of New Shares that would have been allotted to you had you taken up your Entitlement (or any value for your Entitlement which may have been achieved through its sale on ASX or otherwise) and your percentage shareholding in Emeco (held at the Record Date) will be diluted to the extent of your non-participation in the Entitlement Offer. Ineligible Shareholders' percentage ownership in Emeco (held at the Record Date) will also be diluted as a result of the Entitlement Offer. This dilution will be in addition to the dilution occurring as a result of the Restructure and the Acquisitions.</p> <p>To the maximum extent permitted by law, Emeco, the underwriters, Emeco's advisers or brokers and any of their respective related bodies corporate, affiliates, directors, officers, employees or advisers, will not be liable, including for negligence, for any failure to procure any applications for New Shares offered under the Entitlement Offer or any potential proceeds for Entitlements.</p>
Tax consequences of Entitlements	<p>The tax consequences from selling Entitlements or from doing nothing may be different. Before selling Entitlements or choosing to do nothing in respect of Entitlements, an Emeco shareholder should seek independent tax advice and may wish to refer to the "Australian Tax Considerations" section contained in the Entitlement Offer Booklet, which will provide further information on potential tax implications for Australian shareholders.</p>
Significant shareholding by Black Diamond	<p>Depending on the exact number of Shares finally issued following completion of the Restructure and Acquisitions and the participation level in the Entitlement Offer, Black Diamond is expected to increase to approximately 22% of the total issued Shares in the Company prior to the Management Incentive Plan (Black Diamond may potentially have voting power of up to a maximum of 26% in Emeco following implementation of the Restructure and Acquisitions, prior to the Management Incentive Plan), and may be in a position to influence the decisions made by the Company, including in relation to the election of Directors, the appointment of new management and the potential outcome of matters requiring a shareholder vote including matters pertaining to a potential change of control in the Company.</p>

RISK FACTORS

Risks associated with the Entitlement Offer and Share ownership (cont.)

Sell-down by Emeco's substantial shareholders	<p>There is a risk that Emeco's substantial shareholders (including directors) may seek to sell down their shareholdings in Emeco. A significant sale of shares, or a perception that a sell-down may occur, could adversely affect the price of Emeco's shares.</p> <p>The parties to the amended RSA have undertaken to Emeco that any shares in Emeco issued pursuant to the Restructure and Acquisitions will be subject to a lock-up which restricts trading on those shares for a period of up to 60 days.</p>
Economic risk and external market factors	<p>Various factors including political movements, stock market trends, changing customer preferences, interest rates, inflation levels, commodity prices, foreign exchange rates, industrial disruption, environmental impacts, international competition, taxation changes and legislative or regulatory changes, may have an adverse impact on the Company's operating costs, profit margins and Share price. These factors are beyond the control of the Company and it cannot, to any degree of certainty, predict how they will impact on the Company.</p> <p>Prolonged deterioration in general economic conditions could potentially have an adverse impact on the Company and its operations and may adversely impact the trading price of Emeco Shares.</p>
Foreign exchange risks	<p>The Company's operations are principally denominated in Australian dollars, Canadian dollars and U.S. dollars with financial reporting in Australian dollars.</p> <p>For reporting purposes, the Company is exposed to fluctuations in the value of the Australian dollar versus other currencies. As its consolidated financial results are reported in Australian dollars, if the Company generates sales or earnings or has assets and liabilities in other currencies, the translation into Australian dollars for financial reporting purposes can result in a significant increase or decrease in the amount of those sales or earnings and its net assets.</p> <p>The majority of the Company's debt (including all of the Tranche B Notes) will be denominated in U.S. dollars. Although steps may be undertaken to manage currency risk (for example via hedging strategies), adverse movements in the Australian dollar against the US dollar may have an adverse impact on the Company and result in an increase in the Company's debt in Australian dollar terms. For example, a weakening of the Australian dollar as compared to the U.S. dollar would have the effect of increasing the Australian dollar value of the U.S. dollar denominated debt. Combined with other factors, this could lead to a deterioration in the Company's operating and financial performance.</p> <p>The Company is also exposed to foreign currency risk on equipment purchases, which are primarily denominated in U.S. dollars. The Company does not hedge its translated foreign currency exchange rate exposure in relation to operations.</p> <p>The Company's investments in its subsidiaries and their earnings are also not hedged as these currency positions are considered long term in nature.</p> <p>Fluctuations in foreign currency exchange rates may also make period to period comparisons of results of operations difficult.</p>
Change in accounting or financial reporting standards	<p>Changes in accounting or financial reporting standards may adversely impact the reported financial performance of the Combined Group.</p>
War and terrorist attacks	<p>War or terrorist attacks anywhere in the world could result in a decline in economic conditions worldwide or in a particular region. There could also be a resultant material adverse effect on the business, financial condition and financial performance of the Company and may adversely impact the trading price of Emeco Shares.</p>
Negative publicity	<p>The Combined Group will be subject to the risk that negative publicity, whether true or not, may affect stakeholder perceptions of the Combined Group's past actions and future prospects. Being listed on the ASX means that the Combined Group will be subject to risks relating to market expectations for its business and financial and operating performance. If the Combined Group does not manage these expectations in an effective manner, it could give rise to loss of investor confidence in its business and management and may adversely impact the trading price of Emeco Shares.</p>
Changes in taxation laws	<p>Variation in the taxation laws affecting the Combined Group's operations could materially affect financial performance and may adversely impact the trading price of Emeco Shares. The interpretation of these laws could also change, leading to a change in the taxation treatment of investments or activities.</p>
Credit rating risk	<p>Credit ratings are subject to revision, suspension or withdrawal at any time by the assigning rating agency. Rating agencies may also revise or replace entirely the methodology applied to derive credit ratings. No assurances can be given that a credit rating will remain for any period of time or that a credit rating will not be lowered or withdrawn entirely by the rating agency if in its judgement circumstances in the future so warrant, or if a different methodology is applied to derive that credit rating.</p> <p>Any downgrade to Emeco's credit rating could impact Emeco's ability to obtain financing, increase its future financing costs, impact its ability to access capital markets and/or have an adverse effect on the market price of Emeco's shares.</p>

B. International Offer Restrictions

INTERNATIONAL OFFER RESTRICTIONS

This document does not constitute an offer of entitlements ("Entitlements") or new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Entitlements and New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Entitlements and the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the Entitlements and the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Entitlements and the New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Entitlements or New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The Entitlements and the New Shares in the entitlement offer are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

INTERNATIONAL OFFER RESTRICTIONS

Singapore

This document and any other materials relating to the Entitlements and the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Entitlements and New Shares, may not be issued, circulated or distributed, nor may the Entitlements and New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Entitlements or the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Entitlements or New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Thank you

emecogroup.com

21 March 2017

ASX: EHL ('EMECO' OR 'THE COMPANY')

Emeco launches A\$20 million pro rata renounceable entitlement offer (*Replacement document due to revised Offer Price*)

- ▣ **A\$20 million fully underwritten pro rata renounceable entitlement offer**
- ▣ **Fully underwritten by major Emeco shareholders and noteholders**
- ▣ **Entitlements trading available on ASX**
- ▣ **Proceeds to be used to fund the Restructure and Acquisitions and provide financial flexibility through the integration period**
- ▣ **Allows Emeco shareholders to participate in the future upside of the combined group**
- ▣ **Fixed price of \$0.109 per share**

Emeco has today launched a pro rata renounceable entitlement offer (**Entitlement Offer**), which will be fully underwritten by Emeco's major shareholders and noteholders. The Entitlement Offer enables existing shareholders to further participate in the potential value to be created following the recapitalisation of Emeco and the merger with Andy's and Orionstone (**Transaction**).

Mr Ian Testrow, Emeco's Managing Director, commented: "The Entitlement Offer is a key component of the recapitalisation of Emeco and merger with Orionstone and Andy's. The funds raised under the Entitlement Offer will be used to fund the Transaction and will provide greater financial flexibility during the integration period. The Entitlement Offer also assists in minimising existing shareholders' dilution from the Transaction and enables shareholders to further participate in the upside of the combined group. It is very pleasing to have our two biggest shareholders and largest bondholder demonstrate their continued support for and commitment to Emeco's growth strategy by underwriting the entitlement offer."

Under the Entitlement Offer, Emeco will offer existing eligible shareholders the opportunity to subscribe for new fully paid ordinary shares in Emeco (**New Shares**) at \$0.109 per New Share to raise A\$20 million.

Under the Entitlement Offer, eligible shareholders¹ will be invited to subscribe for 0.3066 New Shares for every 1 existing fully paid ordinary shares in Emeco (**Entitlement**) held as at the Record Date, being 7:00pm (Australian Eastern Standard Time) on Monday, 27 March 2017 (**Record Date**). New Shares issued under the Entitlement Offer will rank equally with existing Emeco shares.

The Entitlement Offer will be made at an Offer Price of \$0.109 per New Share, which represents:

- ▣ 45% premium to the latest closing price of \$0.075 per share
- ▣ 33% premium to Emeco's Theoretical Ex-rights Price² of \$0.082 per share

¹ Eligible shareholders are those shareholders who are registered as a holder of fully paid Emeco shares as at the Record Date, and who have a registered address on Emeco's share register that is in Australia or New Zealand. Emeco may, in its absolute discretion, extend the Entitlement Offer to certain categories of institutional investors in Hong Kong and Singapore.

² Theoretical Ex-Rights Price (TERP) is the theoretical price at which Shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation for illustrative purposes only and the actual price at which Shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to Emeco's closing price on Monday, 20 March 2017 (\$0.075).

The Offer Price was determined in accordance with the terms of the Revised Restructuring Support Agreement (**Amended RSA**). In determining the Offer Price, the Amended RSA seeks to recognise the amount of value contributed to the combined group by each counterparty to the Transaction (such as Orionstone, Andy's and the various creditors of Emeco, Orionstone and Andy's) and represents the mutual agreement of the parties following a series of detailed negotiations. For further detail, please refer to Emeco's separate ASX announcement "Recapitalisation and merger equity allocations" lodged with the ASX today, regarding the equity allocation calculations that have been made under the Amended RSA.

The Entitlement Offer is fully underwritten by Black Diamond, Black Crane Asia Opportunities Fund and First Samuel (**Underwriters**), who are each existing major shareholders and / or noteholders of Emeco.

Rationale for the Entitlement offer

The Entitlement Offer enables Emeco's shareholders to participate further in the Company's growth and benefit from the value creation opportunity from the Transaction.

- ▣ **Minimises dilution for existing Emeco shareholders**
 - Participation in the Entitlement Offer assists in minimising the shareholder dilution as a result of the Transaction
- ▣ **Enables Emeco shareholders to participate in the upside of the combined group**
 - Provides Emeco's existing shareholders with the opportunity to further participate in the Company's growth and benefit from the value creation opportunity from the Transaction
 - For shareholders who do not wish participate in the Entitlement Offer, there is an opportunity to potentially realise value from their Entitlements
- ▣ **Enhances Emeco's financial flexibility**
 - Fully underwritten Entitlement Offer secures additional funding for the Transaction, assisting in funding the Transaction and providing added financial flexibility throughout the integration period
 - Support for the Entitlement Offer from major existing shareholders and noteholders represents strong support for Emeco's strategy and long term growth outlook

Entitlements trading

Eligible shareholders who do not wish to take up some or all of their Entitlement, may sell all or part of their Entitlement on ASX from Friday, 24 March 2017 to Monday, 3 April 2017, or transfer all or part of their Entitlement directly to another person.³ If a shareholder chooses to do nothing in respect of all or a part of their Entitlement, part or all (as applicable) of their Entitlement will lapse and they will receive no benefit.

Entitlements may only be exercised by eligible shareholders, being persons who have a registered address in Australia or New Zealand, and certain categories of institutional investors in Hong Kong and Singapore. Persons in the United States and persons acting for the account or benefit of a person in the United States will not be eligible to purchase or trade Entitlements on ASX, or take up or exercise Entitlements purchased on ASX or transferred from another person.

It is the responsibility of purchasers of Entitlements to inform themselves of the eligibility criteria for exercise. If holders of Entitlements after the trading period ends do not meet the eligibility criteria, they will not be able to exercise the Entitlements. In the event that holders are not able to take up their Entitlements, those Entitlements will be subscribed for by the Underwriters.

³ Prices obtainable for Entitlements may rise and fall over the Entitlement trading period and will depend on many factors including the demand for and supply of Entitlements on the ASX and the value of Emeco existing Shares relative to the Offer Price. If you sell your Entitlement, you may receive a higher or lower amount than a shareholder who sells their Entitlement at a different time in the Entitlement trading period. As the Offer Price exceeds the market price of Emeco's shares as at last close, a market for the Entitlements may not develop and shareholders may not be able to achieve a sale of their Entitlements on the ASX.

Indicative timetable

Event	Date
Announcement of the Entitlement Offer	Tuesday, 21 March 2017
Ex date for the Entitlement Offer	Friday, 24 March 2017
Entitlement trading commences on ASX	Friday, 24 March 2017
Record Date for eligibility for the Entitlement Offer	Monday, 27 March 2017 (7.00pm AEST)
Offer Booklet despatched to Eligible Shareholders	Wednesday, 29 March 2017
Entitlement Offer opens	Wednesday, 29 March 2017
Entitlement trading on ASX ends	Monday, 3 April 2017
Entitlement Offer closes	Monday, 10 April 2017 (5.00pm AEST)
Issue of New Shares under the Entitlement Offer and dispatch of holding statements	Wednesday, 19 April 2017
New Shares issued under the Entitlement Offer commence trading on ASX on a normal settlement basis	Thursday, 20 April 2017

Note: The timetable above is indicative only and may be subject to change.

Pro forma ownership

Emeco's shareholders will own 36% of the combined group following completion of the Transaction if all existing shareholders fully participate in the Entitlement Offer, prior to the Management Incentive Plan. The pro forma ownership of Emeco following completion of the Entitlement Offer is detailed below:

Shareholder	% of shares outstanding
Existing Emeco shareholders	27%
Entitlement Offer – Participants	8%
Entitlement Offer – Underwriting Fee	1%
Black Diamond (Excluding Entitlement Offer underwriting)	22%
Other Emeco noteholders	12%
Orionstone shareholders	10%
Orionstone creditors	11%
Andy's shareholders	5%
Andy's creditors	5%
Total	100%

Update on the Transaction

Emeco creditors and Emeco shareholders approved the Transaction at meetings held on Monday, 13 March 2017. The Federal Court of Australia approved the creditors' scheme on Wednesday, 15 March 2017 and the

creditors' scheme became effective on Thursday, 16 March 2017. The Transaction is expected to complete on 31 March 2017.

The Transaction provides Emeco with a more capable fleet consisting of approximately 730 machines, with the average machine age reduced by approximately 25 per cent.⁴ Combining Orionstone and Andy's expertise and their deep customer relationships in the equipment solutions space increases the depth and breadth of Emeco's management team. The team is focused on executing the well-advanced integration plans to maximise operational cost synergies and capital expenditure savings upon completion.

Strategy and Outlook

Emeco remains focused on operational excellence and increasing the operating utilisation of its fleet in response to improved commodity markets. Emeco's strategic goals are to continue to reduce net debt and optimise its capital structure, and improve its value proposition to customers with a focus on increased productivity and lower costs, facilitated by Emeco's EOS technology.

- END -

Investor enquiries

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Established in 1972, Emeco is the world's largest, independent mining equipment rental business and currently services major resource projects across Australia, Canada and Chile. Emeco pursues a best in class asset management strategy and operates a global fleet of equipment from a range of original equipment manufacturers to deliver the most effective equipment rental and maintenance solutions for its customers. Emeco is a publicly listed company on the Australian Securities Exchange (ASX:EHL).

⁴ Decrease in fleet age and "other machine" count is indicative as at September 2016.

21 March 2017

ASX: EHL ('EMECO' OR 'THE COMPANY')

Recapitalisation and merger equity allocations

- ▣ Post-Transaction equity allocation has been calculated

Emeco today announces that pursuant to the Amended Restructuring Support Agreement signed on 30 December 2016 (Amended RSA), certain financial metrics regarding the equity allocation and issue price of shares to the various parties to the Amended RSA and under its pro rata renounceable entitlement offer (Entitlement Offer) have been calculated.

As disclosed in the Creditors' Scheme disclosure documents and the Shareholders' Notices of Extraordinary General Meeting, the recapitalisation of Emeco and mergers with Orionstone and Andy's (Transaction) is structured such that certain financial metrics of each party to the Transaction will be measured on the Calculation Date to determine the final number of new Emeco shares (New Shares) issued to each party.

The financial metrics to be calculated at the Calculation Date take into account (amongst other items):

- (1) the excess cash contributed by each party;
- (2) the fair market value of rental equipment;
- (3) the total principal outstanding of interest bearing liabilities; and
- (4) the balance of any finance leases outstanding.

Emeco's shareholders will own 36% of the combined group following completion of the Transaction if all existing shareholders fully participate in the Entitlement Offer, prior to the Management Incentive Plan. The pro forma ownership of Emeco following completion of the Entitlement Offer is detailed below:

Shareholder	% of shares outstanding
Existing Emeco shareholders	27%
Entitlement Offer – Participants	8%
Entitlement Offer – Underwriting Fee	1%
Black Diamond (Excluding Entitlement Offer underwriting)	22%
Other Emeco noteholders	12%
Orionstone shareholders	10%
Orionstone creditors	11%
Andy's shareholders	5%
Andy's creditors	5%
Total	100%

For further information about the methodology of calculating shares to be issued to the parties to the Amended RSA, please refer to the Shareholders Notice of Extraordinary General Meeting and supplementary Notice of Extraordinary General Meeting (released to ASX on 8 February 2017 and 23 February 2017, respectively) and the Explanatory Statement and supplementary disclosure for the creditors' scheme (released to ASX on 7 February 2017 and 23 February 2017, respectively).

- END -

Investor enquiries

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Established in 1972, Emeco is the world's largest, independent mining equipment rental business and currently services major resource projects across Australia, Canada and Chile. Emeco pursues a best in class asset management strategy and operates a global fleet of equipment from a range of original equipment manufacturers to deliver the most effective equipment rental and maintenance solutions for its customers. Emeco is a publicly listed company on the Australian Securities Exchange (ASX:EHL).

6. IMPORTANT INFORMATION

This Offer Booklet (including the ASX announcements in Section 5) and enclosed personalised Entitlement and Acceptance Form (**Information**) have been prepared by Emeco.

This Information is dated Wednesday, 29 March 2017 (other than the Emeco Investor Presentation and the Entitlement Offer Announcement, published on the ASX website on Tuesday, 21 March 2017) and also available at www.emecogroup.com. This Information remains subject to change without notice and Emeco is not responsible for updating this Information.

There may be additional announcements made by Emeco after the date of this Offer Booklet and throughout the period that the Entitlement Offer is open that may be relevant to your consideration of whether to take up, sell or transfer or do nothing in respect of, your Entitlement. Therefore, it is prudent that you check whether any further announcements have been made by Emeco (by visiting the ASX website at www.asx.com.au, or Emeco's website at www.emecogroup.com) before submitting your application to take up your Entitlement, or selling or transferring your Entitlement.

No party other than Emeco has authorised or caused the issue of this Information, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information.

This Information is important and requires your immediate attention

You should read this Information carefully and in its entirety before deciding how to deal with your Entitlement. In particular, you should consider the risk factors outlined in the "Key Risks" section of the Emeco Investor Presentation included in Section 5 of this Offer Booklet, any of which could affect the operating and financial performance of Emeco or the value of an investment in Emeco.

You should consult your stockbroker, solicitor, accountant, financial adviser or other professional adviser to evaluate whether or not to participate in the Entitlement Offer.

Trading of Entitlements and New Shares

It is expected that trading of Entitlements on the ASX will commence at 10.00am (Sydney time) on Friday, 24 March 2017 until 4.00pm (Sydney time) on Monday, 3 April 2017 on a normal settlement basis. It is expected that trading on the ASX of New Shares to be issued under the Entitlement Offer will commence at 10.00am (Sydney time) on Thursday, 20 April 2017 on a normal settlement basis.

Emeco will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade Entitlements before they receive their personalised Entitlement and Acceptance Form, whether on the basis of confirmation of the allocation provided by Emeco or failure to maintain your updated details on the Emeco Share Registry or otherwise or who otherwise trade or purport to trade Entitlements in error or which they do not hold or are not entitled to.

Emeco will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Emeco or failure to maintain their updated details on the Emeco Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters, you should first consult with your stockbroker, solicitor, accountant, financial adviser or other professional adviser.

6.1 Eligible Shareholders

This Information contains an offer of New Shares to Eligible Shareholders in Australia and has been prepared in accordance with section 708AA of the Corporations Act as notionally modified by ASIC.

Eligible Shareholders are those persons who:

- are registered as a holder of Shares as at the Record Date, being 7.00pm (Sydney time) on Monday, 27 March 2017;
- have a registered address on the Emeco Share Registry in Australia or New Zealand, or are an Eligible Institutional Shareholder;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of such person in the United States); and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

Shareholders who are not Eligible Shareholders are Ineligible Shareholders. Emeco reserves the right to determine whether a shareholder is an Eligible Shareholder or an Ineligible Shareholder.

By returning a completed personalised Entitlement and Acceptance Form or making a payment by BPAY®, you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Shareholder. Nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

Emeco has decided that it is unreasonable to make offers under the Entitlement Offer to shareholders who have registered addresses outside Australia and New Zealand, having regard to the number of such holders in those places and the number and value of the New Shares that they would be offered, and the cost of complying with the relevant legal and regulatory requirements in those places. Emeco may (in its absolute discretion) extend the Entitlement Offer to shareholders who have registered addresses outside Australia and New Zealand (except the United States) in accordance with applicable law. In particular, Emeco has agreed to extend the Entitlement Offer to certain categories of institutional shareholders in Hong Kong and Singapore, subject to compliance with applicable laws (**Eligible Institutional Shareholders**).

6.2 Ranking of New Shares

New Shares issued under the Entitlement Offer will be fully paid and rank equally in all respects with existing shares. The rights and liabilities attaching to the New Shares are set out in Emeco's constitution, a copy of which is available at www.emecogroup.com.

6.3 Risks

The Emeco Investor Presentation details important factors and risks that could affect the financial and operating performance of Emeco. You should refer to the "Key Risks" section of the Investor Presentation released to ASX on Tuesday, 21 March 2017 which is included in Section 5 of this Offer Booklet. You should consider these factors in light of your personal circumstances, including financial and taxation issues, before making a decision in relation to your Entitlement.

6.4 Reconciliation, Top-Up Shares and the rights of Emeco and the Underwriters

The Entitlement Offer is a complex process and in some instances investors may believe that they will own more Emeco shares than they ultimately did as at the Record Date or are otherwise entitled to more New Shares than initially offered to them. In addition, where trustees of Emeco's employee share plans hold shares on behalf of participants in those plans, the number of New Shares that are offered may need to increase to take account of the rounding referred to in Section 6.6. These matters may result in a need for reconciliation. If reconciliation is required, it is possible that Emeco may need to issue additional New Shares (**Top-Up Shares**) to ensure that the relevant investors receive their appropriate allocation of New Shares. The price at which these Top-Up Shares would be issued is not known.

Emeco also reserves the right to reduce the size of an Entitlement or number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders or other applicable investors, if Emeco believes in its complete discretion that their claims are overstated or if they or their nominees fail to provide information requested to substantiate their claims. In that case, Emeco may, in its discretion, require the relevant shareholder to transfer excess New Shares to the Underwriters at the Offer Price per New Share. If necessary, the relevant shareholder may need to transfer existing Shares held by them or to purchase additional Shares on-market to meet this obligation. The relevant shareholder will bear any and all losses caused by subscribing for New Shares in excess of their Entitlement and any actions they are required to take in this regard.

Investors who sell Entitlements to which they are not entitled, or who do not hold sufficient Entitlements at the time required to deliver those Entitlements, may be required by Emeco to otherwise acquire Entitlements or Shares to satisfy these obligations.

By applying under the Entitlement Offer, including pursuant to acquisitions of Entitlements, those doing so irrevocably acknowledge and agree to do the above as required by Emeco in its absolute discretion. Those applying acknowledge that there is no time limit on the ability of Emeco or the Underwriters to require any of the actions set out above.

6.5 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted.

6.6 Rounding off Entitlements

Where fractions arise in the calculation of an Entitlement, they will be rounded up to the nearest whole number of New Shares.

6.7 Trading of Entitlements

Entitlements under the Entitlement Offer are tradeable and can be sold or transferred. They are expected to be quoted on and tradeable on the ASX from Friday, 24 March 2017 to Monday, 3 April 2017. You may sell your Entitlements (which you do not wish to take up or let lapse) in order to realise value which may attach to those Entitlements if sold at that time. There is no guarantee that there will be a liquid market in traded Entitlements. A lack of liquidity may impact the ability to sell Entitlements on the ASX and the price able to be achieved.

Prices obtainable for Entitlements may rise and fall over the Entitlement trading period and will depend on many factors including the demand for and supply of Entitlements on the ASX and the value of Emeco existing Shares relative to the Offer Price. If you sell your Entitlement, you may receive a higher or lower amount than a shareholder who sells their Entitlement at a different time in the Entitlement trading period.

If you decide not to take up all or part of your Entitlement, you should consider whether to sell all or part of your Entitlement or allow all or part of it to be lapse. Information on how Entitlements may be sold or transferred is set out in Section 3 and information on Australian taxation considerations is set out in Section 4.

The Entitlements may not be purchased, traded, taken up or exercised by persons in the United States or by persons who are acting for the account or benefit of persons in the United States.

Investors should note that if you purchase Entitlements on the ASX or otherwise, in order to take up or exercise those Retail Entitlements and subscribe for New Shares you:

1. must be an Eligible Shareholder, a resident in Australia or New Zealand, or otherwise qualify as an 'Eligible Person'⁵; and
2. must not be in the United States or acting for the account or benefit of a person in the United States.

If you do not satisfy the above conditions, you will not be entitled to take up Entitlements or subscribe for New Shares.

It is the responsibility of purchasers of Entitlements to inform themselves of the eligibility criteria for exercise. If holders of Entitlements after the end of the trading period do not meet the eligibility criteria, they will not be able to exercise the Entitlements. In the event that holders are not able to take up their Entitlements, they may receive no value for them.

6.8 Notice to nominees and custodian

If Emeco believes you hold Shares as a nominee or custodian you will have received, or will shortly receive, a letter in respect of the Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter.

Persons acting as nominees for other persons must not take up Entitlements on behalf of, or send any documents related to the Entitlement Offer to, any person in the United States or any person that is acting for the account or benefit of a person in the United States. Persons in the United States and persons acting for the account or benefit of persons in the United States will not be able to purchase or trade Entitlements on the ASX or otherwise, or take up or exercise Entitlements purchased on the ASX or otherwise and may receive no value for any such Entitlements held.

Emeco is not required to determine whether or not any registered holder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of Shares or Entitlements. Where any person is acting as a nominee or custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether indirect participation in the Entitlement Offer by the beneficiary, including following acquisition of Entitlements on the ASX or otherwise, complies with applicable foreign laws. Emeco is not able to advise on foreign laws.

⁵ Certain investors in New Zealand, Hong Kong and Singapore may be Eligible Persons if they satisfy the requirements of that expression as set out in the 'Entitlement and Acceptance Form' in respect of the Entitlement Offer which is available from the Emeco Share Registry.

6.9 Not investment advice

This Offer Booklet is not a prospectus, product disclosure statement or other form of disclosure document under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Emeco is not licensed to provide financial product advice in respect of the New Shares. This Information does not purport to contain all the information that you may require to evaluate a possible application for New Shares, nor does it purport to contain all the information which would be required in a prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with Emeco's other periodic statements and continuous disclosure announcements lodged with ASX, which are available at www.emecogroup.com.

Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Information, you have any questions about the Entitlement Offer, you should contact your stockbroker, solicitor, accountant, financial adviser or other professional adviser or call the Emeco Shareholder Information Line on 1300 420 709 (within Australia) or +61 1300 420 709 (outside Australia) between 8.30am and 5.30pm (Sydney time), Monday to Friday.

Nominees and custodians may not distribute any part of this Offer Booklet in the United States or in any other country outside Australia except (i) Australian nominees may send this Offer Booklet and related offer documents to beneficial shareholders who are professional or institutional shareholders in other countries (other than the United States) listed in, and to the extent permitted under, the "International Offer Restrictions" set out in Appendix B of the Emeco Investor Presentation included in Section 5 of this Offer Booklet and (ii) to beneficial shareholders in other countries (other than the United States) where Emeco may determine it is lawful and practical to make the Entitlement Offer.

6.10 Quotation and trading

Emeco has applied to the ASX for official quotation of the New Shares in accordance with the ASX Listing Rule requirements. If ASX does not grant quotation of the New Shares, Emeco will repay all Application Monies (without interest).

Subject to approval being granted, it is expected that normal trading of New Shares issued under the Entitlement Offer will commence at 10.00am (Sydney time) on Thursday, 20 April 2017.

6.11 Information availability

If you are in Australia you can obtain a copy of this Offer Booklet during the Entitlement Offer by calling the Emeco Shareholder Information Line on 1300 420 709 (within Australia) or +61 1300 420 709 (outside Australia) between 8.30am and 5.30pm (Sydney time), Monday to Friday.

A replacement Entitlement and Acceptance Form can also be requested by calling the Emeco Shareholder Information Line.

If you access the electronic version of this Offer Booklet, you should ensure that you download and read the entire Offer Booklet. The electronic version of this Offer Booklet on the Emeco website will not include an Entitlement and Acceptance Form.

6.12 Foreign jurisdictions

This Information has been prepared to comply with the requirements of the securities laws of Australia. To the extent that you hold Shares or Entitlements on behalf of another person resident outside Australia, it is your responsibility to ensure that any participation (including for your own account or when you hold Shares or Entitlements beneficially for another person) complies with all applicable foreign laws and that each beneficial owner on whose behalf you are submitting the personalised Entitlement and Acceptance Form is not in the United States and not acting for the account or benefit of a person in the United States.

This Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia.

The distribution of this Information (including an electronic copy) outside Australia may be restricted by law. If you come into possession of this Information, you should observe such restrictions and should seek your own advice on such restrictions. See the foreign selling restrictions set out in "Appendix B: International Offer Restrictions" of the Emeco Investor Presentation included in Section 5 of this Offer Booklet for more information.

Any non-compliance with these restrictions may contravene applicable securities laws.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Entitlements and the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the Entitlements and the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Entitlements and the New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Entitlements or New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This Offer Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (**FMC Act**). It is not a product disclosure statement under New Zealand law and has not been registered, filed with, or approved by any New Zealand regulatory authority and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain. NZX accepts no responsibility for any statement in this Offer Booklet. It is a term of this offer that the offer of securities to the public in New Zealand is made in compliance with the laws of Australia and any code, rules and requirements relating to the offer that apply in Australia.

The Entitlements and the New Shares in the Entitlement Offer are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the Entitlement Offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

1. is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
2. meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
3. is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
4. is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
5. is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Singapore

This document and any other materials relating to the Entitlements and the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Entitlements and New Shares, may not be issued, circulated or distributed, nor may the Entitlements and New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Entitlements or the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Entitlements or New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United States

The Entitlements and New Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction in the United States. Entitlements may not be purchased, taken up or exercised by persons in the United States or by persons who are acting for the account or benefit of persons in the United States. Neither the Entitlements nor the New Shares may be offered to or sold to persons in the United States or to persons who are acting for the account or benefit of persons in the United States except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction in the United States. The Entitlements and the New Shares in the Entitlement Offer will be sold only in 'offshore transactions' (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act. Because of these legal restrictions, you must not distribute, release or send copies of this Offer Booklet or any other material relating to the Entitlement Offer to any person in the United States.

6.13 Underwriting of the Entitlement Offer

Emeco has entered into an underwriting agreement (**Underwriting Agreement**) with the Underwriters who have agreed, subject to the satisfaction of certain conditions precedent, to fully underwrite the Entitlement Offer. As is customary with these types of arrangements:

1. the obligation to underwrite is subject to the satisfaction of certain conditions precedent, including the delivery of certain due diligence materials, shareholder approval of the Proposed Transaction, the Amended Restructuring and Support Agreement not having been terminated and the creditor's scheme becoming effective within a prescribed timeframe;
2. Emeco has agreed, subject to certain carve-outs, to indemnify each Underwriter, their respective affiliates and related bodies corporate and each of their respective directors, officers, and employees against all costs, claims, damages, liabilities or other losses or expenses of any kind it may suffer or incur in connection with the Entitlement Offer; and
3. Emeco and the Underwriters have given certain representations, warranties and undertakings in connection with (among other things) the Entitlement Offer.

The Underwriters do not have any termination rights under the Underwriting Agreement. Each Underwriter will be paid in their respective agreement proportions, in relation to the Entitlement Offer, an underwriting fee of 7% of the underwritten amount of \$20 million. The underwriting fee will be satisfied by the issue of New Shares to the Underwriters at the Offer Price.

Neither the Underwriters nor any of their respective related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives or agents have authorised or caused the issue of this Information and they do not take any responsibility for this Information or any action taken by you on the basis of such information. To the maximum extent permitted by law, each of the Underwriters and their respective related bodies corporate and affiliates and each of their respective directors, officers, partners, employees, representatives or agents exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitlement Offer and this Information being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. Neither each respective Underwriter nor any of their respective related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives or agents make any recommendations as to whether you or your related parties should participate in the Entitlement Offer, nor do they make any representations or warranties to you concerning this Entitlement Offer or any such information, and you represent, warrant and

agree that you have not relied on any statements made by either Underwriter or any of their respective related bodies corporate and affiliates or any of their respective directors, officers, partners, employees, representatives or agents in relation to the New Shares or the Entitlement Offer generally.

6.14 Governing law

This Information, the aii Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in New South Wales, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

6.15 Disclaimer or representations

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Information.

Any information or representation that is not in this Information may not be relied on as having been authorised by Emeco, or its related bodies corporate, in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, none of Emeco, nor any other person, warrants or guarantees the future performance of Emeco or any return on any investment made pursuant to this Information or its content.

6.16 Withdrawal of the Entitlement Offer

Emeco reserves the right to withdraw all or part of the Entitlement Offer and this Information at any time, subject to applicable laws, in which case Emeco will refund Application Monies in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest. In circumstances where allotment under the Institutional Entitlement Offer has occurred, Emeco may only be able to withdraw the Entitlement Offer with respect to New Shares to be issued under the Entitlement Offer.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to Emeco will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to Emeco.

6.17 Privacy

As a shareholder, Emeco and the Emeco Share Registry have already collected certain personal information from you. If you apply for New Shares, Emeco and the Emeco Share Registry may update that personal information or collect additional personal information. Such information may be used to assess your acceptance of the New Shares, service your needs as a shareholder, provide facilities and services that you request and carry out appropriate administration.

To do that, Emeco and the Emeco Share Registry may disclose your personal information for purposes related to your shareholdings to their agents, contractors or third party service providers to whom they outsource services, in order to assess your application for New Shares, the Emeco Share Registry for ongoing administration of the register, or to printers and mailing houses for the purposes of preparation of the distribution of shareholder information and for handling of mail, or as otherwise under the Privacy Act 1988 (Cth).

If you do not provide us with your personal information we may not be able to process your application. In most cases you can gain access to your personal information held by (or on behalf of) Emeco or the Emeco Share Registry. We aim to ensure that the personal information we retain about you is accurate, complete and up to date. To assist us with this please contact us if any of the details you have provided change. If you have concerns about the completeness or accuracy of the information we have about you, we will take steps to correct it. You can request access to your personal information by telephoning or writing to Emeco through the Emeco Share Registry as follows:

Link Market Services Limited
Level 12
680 George Street
Sydney NSW 2000
Ph: +61 1800 502 355 (free call within Australia)

CORPORATE DIRECTORY

Emeco Shareholder Information Line

Within Australia: 1300 420 709

Outside Australia +61 1300 420 709

Open between 8.30am to 5.30pm (Sydney time) Monday to Friday during the Entitlement Offer period.

Issuer

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www.emecogroup.com

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