



Emeco Holdings Limited

ABN 89 112 188 815

Retail Entitlement Offer

Emeco Holdings Limited

1 for 7.8 accelerated non-renounceable pro-rata entitlement offer of Emeco ordinary shares at an offer price of A\$0.25 per New Share.

The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Thursday 17 May 2018.

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 1800 689 300 (within Australia) or +61 1800 689 300 (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 Retail Entitlement Offer which is part of the Entitlement Offer by Emeco of New Shares to raise approximately A\$90 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 interim financial report which was released to the ASX on 28 February 2018), the 2017 Annual Report released to the ASX on 20 October 2017, Emeco's 3Q18 Operational Update released to the ASX on 18 April 2018 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 Acquisition. 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 Retail 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 Retail 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 in New Shares

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 RETAIL ENTITLEMENT OFFER

Event	Date
Announcement of the Entitlement Offer	Monday 30 April 2018
Record Date for eligibility for the Entitlement Offer	7.00pm (Sydney time) on Wednesday 2 May 2018
Offer Booklet despatched to Shareholders	Monday 7 May 2018
Retail Entitlement Offer opens	Monday 7 May 2018
Issue of New Shares under the Institutional Entitlement Offer	Wednesday 9 May 2018
Retail Entitlement Offer closes (Closing Date)	5.00pm (Sydney time) on Thursday 17 May 2018
Results of Retail Entitlement Offer announced	Tuesday 22 May 2018
Issue of New Shares under the Retail Entitlement Offer and dispatch of holding statements	Friday 25 May 2018
New Shares issued under the Retail Entitlement Offer commence trading on ASX on a normal settlement basis	Monday 28 May 2018

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 Retail Entitlement Offer, to accept late applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the Retail Entitlement Offer 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 Retail Shareholders wishing to participate in the Retail Entitlement Offer are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Retail 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 1800 689 300 (within Australia) or +61 1800 689 300 (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 Retail 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 Thursday 17 May 2018. Eligible Retail Shareholders should refer to Section 2 for options available to them to deal with their Entitlement.

LETTER FROM CHAIRMAN

Monday 7 May 2018

Dear Shareholder,

As a valued shareholder of Emeco, I am pleased to invite you to participate in a fully underwritten 1 for 7.8 accelerated non-renounceable pro-rata entitlement offer of new ordinary shares in Emeco (**New Shares**) at an offer price of A\$0.25 per New Share (**Offer Price**) to raise gross proceeds of A\$90 million (**Entitlement Offer**).

Acquisition of Matilda Equipment

As previously announced to the ASX on Monday 30 April 2018, Emeco has signed a binding agreement (**Acquisition Agreement**) to acquire Matilda Equipment Holdings Pty Ltd (**Matilda Equipment**) for A\$80.0 million, pre-adjustments for surplus working capital and other customary purchase price adjustments (the **Acquisition**).

Matilda Equipment is a national equipment rental company specialising in low hour, late model ancillary equipment to the mining industry. Proceeds of the Entitlement Offer will be used to fund 100% of the Acquisition, transaction costs associated with the Entitlement Offer and Acquisition and working capital requirements.

The Acquisition of Matilda Equipment represents a compelling transaction that is consistent with Emeco's existing strategic growth objectives. Strategic benefits include:

- Reducing Emeco's pro forma net debt / 3Q18 run rate operating EBITDA from 2.5x to 2.1x.¹
- Providing an additional in-demand, young fleet of 83 pieces of ancillary equipment at work and rent-ready.
- Being a high margin, strong earnings and cash flow business given its low capex requirements, which is aligned with Emeco's aggressive deleveraging strategy.
- Supplementing Emeco's fleet of ancillary equipment upon reaching the end of first life components.
- Allowing Emeco to provide an additional rental offering to customers, increasing Emeco's platform to pursue growth.

The Acquisition is conditional on the successful completion of the Entitlement Offer and has termination rights in favour of Emeco and is expected to complete in July 2018. Further details regarding the Acquisition are set out in the Investor Presentation included in Section 5 of this Offer Booklet.

Entitlement Offer

On 30 April 2018, Emeco announced its intention to raise approximately A\$90 million through a fully underwritten, accelerated non-renounceable pro-rata Entitlement Offer at an Offer Price of A\$0.25 per New Share. Under the Entitlement Offer, eligible shareholders are entitled to acquire 1 New Share for every 7.8 existing Emeco shares held on the record date at 7.00pm (Sydney time) on Wednesday 2 May 2018 (**Record Date**) (**Entitlement**).

All shares offered under the Entitlement Offer will be issued at a price of A\$0.25 per New Share, which represents a 9.6% discount to the theoretical ex-rights price (**TERP**) of A\$0.277².

New Shares issued through the Entitlement Offer will rank equally with existing Emeco shares on issue.

The Entitlement Offer is joint lead managed and fully underwritten by Macquarie Capital (Australia) Limited (Macquarie) and Morgans Corporate Limited (**Morgans**) (**the Underwriters**).

The institutional component of the Entitlement Offer (**Institutional Entitlement Offer**) raised approximately A\$77 million and was successfully completed on 1 May 2018. This was strongly supported by eligible institutional shareholders, who took up approximately 83% of their Entitlements (or 98% if Emeco's top 4 shareholders are excluded).

This Offer Booklet relates to the retail component of the Entitlement Offer (**Retail Entitlement Offer**) and Entitlements allotted under it, and contains important information about the Entitlement Offer and Emeco's business.

Under the Retail Entitlement Offer, eligible retail shareholders have the opportunity to invest at the same price as the institutional investors who participated in the Institutional Entitlement Offer. The number of New Shares for which you are entitled to subscribe under the Retail Entitlement Offer (**Entitlement**) is set out in your personalised Entitlement and Acceptance Form which accompanies this Information Booklet. It is important that you determine whether to take up in whole or part, or do nothing, in respect of your Entitlement (see Section 2).

1 Run-rate operating EBITDA based on Matilda's 3Q18 operating EBITDA of \$6m per Matilda's unaudited management accounts as at 31 March 2018, annualised to \$24m (i.e. multiplied by 4). 3Q18 figures shown to be comparative with Emeco figures quoted (refer to note 2) and to reflect current trading performance of Matilda. Net debt as at 31 December 2017 based on Emeco's audited 1H18 balance sheet and adjusted for the indicative impact of an acquisition of Matilda if it were to have completed on 31 December 2017. Pro forma run rate operating EBITDA of \$188m based on annualised 3Q18 results including Emeco's 3Q18 operating EBITDA of \$41 million and Matilda's 3Q18 operating EBITDA of \$6 million. Emeco 3Q18 run-rate EBITDA shown to reflect full year impact of Force acquisition which was completed on 30 November 2017. In determining Emeco's operating EBITDA, significant items have been excluded from the statutory result.

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 \$0.28 per share on 27 April 2018, being the last trading day prior to the announcement of the Entitlement Offer.

Entitlements under the Entitlement Offer are non-renounceable and will not be tradeable on the ASX or otherwise transferable. If you do not take up your Entitlement in full, you will not receive any value in respect of that part of the Entitlement that you do not take up.

The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Thursday 17 May 2018.

If you would like to exercise your Entitlement to increase your shareholding in Emeco, 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 Thursday 17 May 2018.

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 1800 689 300 (within Australia) or +61 1800 689 300 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday.

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 Retail Shareholder (as defined below).

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

Eligible Retail Shareholders are those persons who:

- are registered as a holder of Emeco shares as at the Record Date, being 7.00pm (Perth time) on Wednesday 2 May 2018;
- have a registered address on the Emeco share register that is in Australia or New Zealand, or are a Shareholder that Emeco has otherwise determined is eligible to participate;
- 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);
- were not invited to participate in the Institutional Entitlement Offer and were not treated as an Ineligible Institutional Shareholder; and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

Ineligible Institutional Shareholders are those institutional shareholders on the Record Date with a registered address outside of Australia and New Zealand (or any other jurisdiction that Emeco and the Underwriters agree) to whom the Entitlement Offer will not be extended in accordance with ASX Listing Rule 7.7.1(a).

2. SUMMARY OF OPTIONS AVAILABLE TO YOU

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

1. Take up all or part of your Entitlement; or
2. Do nothing and let all or part of your Entitlement lapse.

If you are a shareholder that is not an Eligible Retail Shareholder you are an **Ineligible Retail Shareholder**. Refer to section 3.9 for more detail on Ineligible Retail Shareholders.

Options available to you	Key considerations
1. Take up all of your Entitlement	<p>If you wish to take up all of your Entitlement, you may elect to purchase all of the New Shares at the Offer Price specified in your personalised Entitlement and Acceptance Form (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 Thursday 17 May 2018.</p> <p>Eligible Shareholders are not able to apply for New Shares in excess of their Entitlement.</p>
2. Take up part of your Entitlement	<p>If you wish to take up only part of your Entitlement, you may elect to purchase a lesser number of New Shares at the Offer Price, than the number of New Shares specified in your personalised Entitlement and Acceptance Form (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 Shares.</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. Lapsed Entitlements will be subscribed for by the Underwriters or any sub-underwriters.</p> <p>The Entitlement Offer closes at 5.00pm (Sydney time) on Thursday 17 May 2018.</p>
3. Do nothing and let all of your Entitlement lapse	<p>If you do nothing with respect to all of your Entitlement, your Entitlement will lapse and you will receive no benefit. These Entitlements will be subscribed for by the Underwriters or any sub-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 and you will not receive any value for 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 Retail Shareholders are being offered the opportunity to purchase 1 New Share for every 7.8 existing Emeco shares held as at the Record Date of 7.00pm (Sydney time) on Wednesday 2 May 2018, at the Offer Price of A\$0.25 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 the Underwriters on the terms and conditions of the Underwriting Agreement (see Section 6.12 for more details). Further details on the Entitlement Offer are set out below.

3.2 The Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Shareholders are invited to apply for 1 New Share for every 7.8 existing Emeco shares held as at the Record Date at the Offer Price of A\$0.25 per New Share.

The Retail Entitlement Offer opens at 9.00am (Sydney time) on Monday 7 May 2018 and will close at 5.00pm (Sydney time) on Thursday 17 May 2018.

3.3 Your Entitlement

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 1

New Share for every 7.8 existing shares 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 6.11 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 ASX announcements in respect of the Entitlement Offer and the Acquisition that were released by Emeco on Monday, 30 April 2018, Emeco's interim financial results that were released to the ASX on 28 February 2018, the 2017 Annual Report released to the ASX on 20 October 2017, Emeco's 3Q18 Operational Update released to the ASX on 18 April 2018, 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 Retail Shareholder, you may take either of the following actions:

1. Take up all of your Entitlement; or
2. Take up part of your Entitlement and let the remainder lapse; or
3. Do nothing and let all of your Entitlement lapse.

Eligible Retail Shareholders who do not participate fully in the Entitlement Offer will have their percentage holding in Emeco reduced. Eligible Retail Shareholders who participate in the Entitlement Offer will not see their percentage holding in Emeco reduced if they take up all of their Entitlement.

If you wish to take up **all** of your Entitlement

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

1. complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies for all of the New Shares in your Entitlement; or
2. pay your Application Monies for all of the New Shares in your Entitlement 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 Thursday 17 May 2018.

If you take up and pay for all your Entitlement before the close of the Retail Entitlement Offer, it is expected that you will be issued New Shares on Friday 25 May 2018. 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 Retail Shareholders or persons claiming to be Eligible Retail 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 Retail Shareholders are not able to apply for New Shares in excess of their Entitlement.

If you wish to take up **part** of your Entitlement

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

1. complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies for the number of New Shares in your Entitlement that you wish to subscribe for; or
2. pay your Application Monies for the relevant number of New Shares 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 Thursday 17 May 2018.

If you take up and pay part of your Entitlement before the close of the Retail Entitlement Offer, it is expected that you will be issued New Shares on Friday 25 May 2018. Emeco’s decision on the number of New Shares to be issued to you will be final.

If you do not take up all of your Entitlement, the relevant part of your Entitlement will lapse and you will receive no benefit. Lapsed Entitlements will be subscribed for by the Underwriters or any sub-underwriters.

Emeco also reserves the right (in its absolute discretion) to reduce the number of New Shares issued to Eligible Retail Shareholders or persons claiming to be Eligible Retail 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 Retail Shareholders are not able to apply for New Shares in excess of their Entitlement.

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

If you do nothing with respect to your Entitlement, your Entitlement will lapse and you will receive no benefit. Lapsed Entitlements will be subscribed for by the Underwriters or any sub-underwriters.

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.

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 Retail Entitlement Offer (except for where the amount is less than A\$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 Thursday 17 May 2018. 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\$0.25 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 Retail Entitlement Offer, your payment must be received no later than the close of the Retail Entitlement Offer, being 5.00pm (Sydney time) on Thursday 17 May 2018. 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	Hand Delivery Address
Emeco Retail Entitlement Offer C/- Link Market Services Limited GPO Box 3560 Sydney South NSW 2001	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:

- did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Retail Shareholders and are otherwise eligible to participate in the Retail Entitlement Offer;
- 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 Retail 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 Retail 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 Retail 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;
- are an Eligible Retail Shareholder and 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 Retail Entitlement Offer;
- 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);
- 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;
- 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;
- 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; and

- if 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.

3.9 Entitlements of Ineligible Retail Shareholders

In compliance with Listing Rule 7.7.1 and section 708AA (including section 9A) of the Corporations Act, Emeco has determined that it is unreasonable to extend the Retail Entitlement Offer to Ineligible Retail Shareholders because of the small number of such Shareholders, the number and value of Shares that they hold and the cost of complying with the applicable regulations in jurisdictions outside of Australia and New Zealand, but it reserves its right to do so (subject to compliance with relevant laws).

Entitlements of Ineligible Retail Shareholders will be subscribed for by the Underwriters or sub-underwriters.

3.10 Brokerage and stamp duty

No brokerage fee is payable by Eligible Retail Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for New Shares under the Retail Entitlement Offer.

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 1800 689 300 (within Australia) or +61 1800 689 300 (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 general summary of the Australian taxation consequences of the Entitlement Offer for Eligible Retail Shareholders that hold their shares on capital account for Australian income tax purposes. The category of shareholders considered in this summary are limited to individuals, complying superannuation entities and certain companies, trusts or partnerships. This summary does not consider the consequences for shareholders who:

- 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.

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.

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.

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) 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 Retail 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 CGT cost base of each New Share acquired will be the sum of the amount paid to exercise the corresponding Entitlement (i.e. the Offer Price) and any incidental costs in acquiring the New Shares.

c) Lapse of Entitlement

If an Eligible Retail 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 taxation implications for an Eligible Retail 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 Retail 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.

As outlined above, the CGT cost base of a New Share should generally be equal to the sum of the amount paid to exercise the corresponding Entitlement (i.e. the Offer Price) and any incidental costs in acquiring the New Share. Any future sale of New Shares will constitute a disposal for CGT purposes. A capital gain will arise if the capital proceeds on disposal exceed the CGT cost base of a New Share. A capital loss will arise if the capital proceeds on

disposal are less than the reduced CGT cost base of a New Share.

Shareholders may be able to apply carried forward or current year losses to reduce their capital gain on disposal. The ability to utilise losses is dependent on meeting the relevant tests

Non-corporate shareholders may be entitled to a concession which discounts the amount of capital gain that is assessed. Broadly, the concession is available where the New Shares have been held for more than 12 months or more prior to disposal. The concession results in a 50% reduction in the assessable amount of a capital gain for an individual shareholder and a one-third reduction of a capital gain for an Australian tax resident complying superannuation entity shareholder (including generally where a flow through trust or partnership distributes to such shareholders), after offsetting any current or carried forward losses.

In relation to trusts or partnerships including limited partnerships, the rules surrounding capital gains and the CGT discount are complex, but the benefit of the CGT discount may flow through to relevant beneficiaries or partners, subject to certain requirements being satisfied.

Australian tax resident shareholders who hold New Shares on revenue account, as trading stock or are subject to the rules in Division 230 concerning the taxation of financial arrangements should seek separate independent professional advice.

4.4 Non-resident CGT withholding

Specific rules can apply to the disposal of certain taxable Australian property under contracts entered into on or after 1 July 2016, whereby, a 12.5% non-final withholding tax may be applied. However, the new rules should not apply to the disposal of a New Share on the ASX (in accordance with a specific exemption).

4.5 Provision of Tax File Number (TFN) or Australian Business Number (ABN)

Australian tax legislation imposes withholding tax at the highest marginal rate (currently 45% plus Medicare levy of 2%) 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 and no exemption applies. Australian tax resident shareholders may be able to claim a tax credit/refund (as applicable) in respect of any tax withheld on dividends in their income tax returns.

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 Retail Entitlement Offer to ensure that withholding tax is not deducted from any future distribution payable to them.

A shareholder is not obliged to provide their TFN, or where relevant, ABN to Emeco.

4.6 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 Retail 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 (such as costs relating to professional advice obtained by shareholders regarding the Entitlement). This will depend on each Eligible Retail Shareholder's particular circumstances and as such this should be reviewed by shareholders prior to making any claim.

5. ASX ANNOUNCEMENTS & INVESTOR PRESENTATION

30 April 2018

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

Not for distribution to US newswire services or distribution in the United States

Emeco to acquire Matilda Equipment

- **Emeco to acquire Matilda Equipment Holdings Pty Ltd ('Matilda Equipment'), a national equipment rental business for an enterprise value of A\$80m**
- **Implied Acquisition multiple of 3.3x 3Q18 operating annualised EBITDA¹**
- **Emeco's pro forma net debt / 3Q18 annualised operating pro forma EBITDA reduced from 2.5x to 2.1x²**
- **Matilda Equipment specialises in individual rentals of high demand, low-hour, late model mining ancillary equipment**
- **Niche business model facilitates premium rates and low R&M costs, generating high EBITDA margins**
- **Highly cash generative business given low capex requirements**
- **Complementary business model providing a channel for sustaining Emeco's ongoing ancillary equipment capex requirements**
- **Acquisition of Emeco to be funded by a fully underwritten A\$90 million pro-rata accelerated non-renounceable entitlement offer**

Emeco announces that it has entered into a binding agreement to acquire Matilda Equipment for an enterprise value of A\$80.0 million, pre-adjustments for surplus working capital and other customary purchase price adjustments (**Acquisition**).

The Acquisition represents a 3.3x EV / 3Q18 annualised operating EBITDA multiple (excluding transaction costs)¹ and will reduce Emeco's pro-forma net debt / 3Q18 annualised operating EBITDA from 2.5x to 2.1x.²

Emeco Managing Director and CEO, Mr Ian Testrow, said: "Matilda Equipment provides Emeco with a niche equipment rental business, allowing it to provide customers an additional service offering. By specialising in low hour, late model, in demand ancillary mining equipment, Matilda Equipment generates strong EBITDA margins and cash, which is in line with Emeco's deleveraging strategy."

¹ Matilda Equipment 3Q18 figures annualised (i.e. multiplied by four), based on unaudited management accounts for the quarter ended 31 March 2018 and normalised for the following items: profit on sale of assets (\$0.3m decrease), contract margin changes (\$0.1m increase), executive salary (\$0.1m decrease) and discontinued leases (\$0.1m increase).

² Net debt as at 31 December 2017 based on Emeco's reviewed 1H18 statement of financial position and adjusted for the indicative impact of an acquisition of Matilda Equipment if it were to have completed on 31 December 2017. Acquisition adjustment includes A\$80m purchase price plus transaction costs of \$2.0m. The net proceeds from the Entitlement Offer are calculated based on estimated costs of A\$3.0m. Annualised operating pro forma EBITDA represents Emeco's unaudited 3Q18 EBITDA for the period ending 31 March 2018 of A\$41m and Matilda Equipment 3Q18 operating EBITDA per footnote 1. Emeco 3Q18 EBITDA includes full year impact of the Force acquisition which completed on 30 November 2017. In determining Emeco's operating EBITDA, significant items have been excluded from the statutory result (refer to Investor Presentation lodged with ASX today for further details).

“Combining Emeco and Matilda Equipment also provides Matilda Equipment with a disposal channel as its equipment reaches the end of its first component life, whilst giving Emeco an additional channel for refreshing and sustaining our fleet of ancillary equipment. The Force component rebuild capability allows us to run these assets through multiple component lives, extending equipment life, lowering costs and further reducing capital expenditure requirements. There is a strong strategic rationale for combining and creating value for the two businesses.”

“At an attractive implied Acquisition multiple, the acquisition of Matilda Equipment has compelling financial benefits, enabling Emeco to continue to strengthen its balance sheet. This will help ensure Emeco is on track to achieve leverage below 2.0x in FY19 and below its 1.5x target in FY20.”

Mr Testrow continued: “We are pleased to welcome Matilda Equipment’s founding CEO, Dan Jauncey, its CFO, Damien Wilson, and the entire Matilda Equipment team to Emeco. Matilda Equipment has a strong cultural alignment to Emeco’s, centered on entrepreneurialism and a customer first approach to providing equipment rental solutions. Matilda Equipment’s deep relationships in the market, in conjunction with its strong procurement capabilities when combined with Emeco’s existing platform presents an exciting opportunity for Emeco going forward.”

About Matilda Equipment

Matilda Equipment operates a niche high margin business model, leveraging its deep customer relationship in key mining regions to provide individual rentals of low hour, late model ancillary equipment.

Its fleet of 83 pieces of mining equipment has an average age of 9,300 hours compared to the existing Emeco portfolio average of 25,000 hours. Matilda Equipment typically sells its equipment as it approaches the end of its first component life.

Matilda Equipment generated 3Q18 annualised operating revenue of A\$34 million and 3Q18 annualised operating EBITDA of A\$24 million.³

Acquisition aligned with Emeco’s strategy

The Acquisition of Matilda Equipment represents a compelling transaction that is consistent with Emeco’s existing strategic growth objectives. Strategic benefits include:

- ✓ **Late model, low-hour in demand fleet.** Matilda Equipment provides an additional in-demand, young fleet of 83 pieces of ancillary equipment at work and rent-ready.
- ✓ **Strong cash flow.** Matilda Equipment is a high margin, strong earnings and cash flow business given its low capex requirements, which is aligned with Emeco’s aggressive deleveraging strategy.
- ✓ **Complementary business model.** Upon reaching the end of first life components, Matilda Equipment fleet can be used to supplement Emeco’s fleet of ancillary equipment.
- ✓ **Enhanced market position.** Allows Emeco to provide an additional rental offering to customers, increasing Emeco’s platform to pursue growth.

³ Based on 3Q18 revenue and operating EBITDA based on Matilda Equipment’s unaudited management accounts for the period ending 31 March 2018, with certain adjustments.

- ✓ **High quality management team.** Experienced management team to continue with Emeco post-transaction.

Emeco Managing Director and CEO, Mr Ian Testrow, said: “The Acquisition of Matilda Equipment is strategically and financially compelling for Emeco. Matilda Equipment is a high quality and complementary business that is strongly aligned with our long term strategic goal of becoming the market leader in providing high quality, low cost rental equipment to our customers and maximising value for shareholders. We believe the Acquisition will deliver long term value to our shareholders.”

The Acquisition is conditional on completion of the Entitlement Offer (described below) and has termination rights in favour of Emeco with completion of the Acquisition expected in early July 2018.

Acquisition Funding

The Acquisition enterprise value is A\$80 million (pre-adjustments for surplus working capital and other customary purchase price adjustments) and will be funded through a fully underwritten pro-rata accelerated non-renounceable entitlement offer to raise approximately A\$90 million (**Entitlement Offer**).

The Entitlement Offer will be used to fund 100% of the purchase price for the Matilda Equipment Acquisition, transaction costs associated with the Entitlement Offer and Acquisition, and working capital requirements.

Under the Entitlement Offer, eligible shareholders are invited to subscribe for one new Emeco share (**New Shares**) for every 7.8 existing Emeco shares held as at 7:00pm (Sydney time) on Wednesday, 2 May 2018 (**Record Date**).

All shares offered under the Entitlement Offer will be issued at a price of A\$0.25 per New Share, which represents a:

- 10.7% discount to the last close price of A\$0.28 on Friday, 27 April 2018; and
- 9.6% discount to the TERP of A\$0.2766.⁴

Approximately 360 million new Emeco shares will be issued under the Entitlement Offer. Each New Share issued under the Entitlement Offer will rank equally with existing Emeco shares on issue. Emeco will, upon issue of the New Shares under the Entitlement Offer, seek quotation of the New Shares on the ASX.

Eligible institutional shareholders will be invited to participate in the accelerated institutional component of the Entitlement Offer (**Institutional Entitlement Offer**), which is being conducted today, Monday, 30 April 2018. The retail component of the Entitlement Offer (**Retail Entitlement Offer**) will be open from Monday 7 May 2018 to Thursday 17 May 2018 to eligible retail shareholders with a registered address in Australia or New Zealand as at 7:00 pm (Sydney time) on the Record Date. An offer booklet in respect of the Retail Entitlement Offer is expected to be mailed to eligible retail shareholders on Monday, 7 May 2018.

The Entitlement Offer is non-renounceable and entitlements will not be tradeable or otherwise transferrable.

⁴ The theoretical ex-rights price (**TERP**) is the theoretical price at which Emeco shares should trade at 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 equal the TERP. TERP is calculated by reference to Emeco's closing price of A\$0.28 on 27 April 2018.

Offer timetable

An indicative timetable of key dates in relation to the Entitlement Offer is set out below. All dates and times are references to Sydney, Australia.

Event	Date
Trading halt and announcement of acquisition and Entitlement Offer Institutional Entitlement Offer opens	Monday 30 April 2018
Institutional Entitlement Offer closes	Tuesday 1 May 2018
Trading halt lifted and trading resumes on an “ex-entitlement” basis	Wednesday 2 May 2018
Record Date for determining Eligible Shareholders under the Entitlement Offer	7:00 pm Wednesday 2 May 2018
Retail Entitlement Offer opens and Retail Offer Booklet dispatched	Monday 7 May 2018
Settlement of New Shares issued under the Institutional Entitlement Offer	Tuesday 8 May 2018
Allotment and normal trading of New Shares issued under the Institutional Entitlement Offer	Wednesday 9 May 2018
Retail Entitlement Offer closes	5:00 pm Thursday 17 May 2018
Settlement of Retail Entitlement Offer	Thursday 24 May 2018
Allotment of New Shares issued under the Retail Entitlement Offer	Friday 25 May 2018
Dispatch of holding statements and normal trading of New Shares issued under Retail Entitlement Offer	Monday 28 May 2018

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.

Further information

Further details of the Acquisition and the Entitlement Offer are set out in the Investor Presentation also provided to the ASX today. The Investor Presentation contains important information including key risks and foreign selling restrictions with respect to the Entitlement Offer.

If you have any questions in relation to the Entitlement Offer, please contact the Emeco Entitlement Offer Information Line on 1800 689 300 (within Australia) or +61 1800 689 300 (outside of Australia) between 8:30am

and 5:00pm (Sydney time) Monday to Friday. For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

Macquarie Capital (Australia) Limited is acting as sole financial adviser to Emeco on the Acquisition. Macquarie Capital (Australia) Limited and Morgans Corporate Limited are acting as joint lead managers and joint underwriters to the Entitlement Offer. Baker McKenzie is acting as legal adviser to Emeco.

– END –

Investor and media 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. Emeco operates a global fleet of OEM machines 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)

Disclaimer

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

emeco



Emeco Holdings Limited Acquisition of Matilda Equipment and Equity Raising

30 April 2018



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 fully underwritten accelerated non-renounceable pro-rata 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 (defined below), 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 before deciding whether to participate in the 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 accompanying 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 references to financial year (FY) relate to Emeco's year end which is 30 June. Financial data related to the historical pro forma financial position of Emeco is presented as at 31 December 2017. For the purposes of the pro forma earnings and leverage information the pro forma combined Q3 EBITDA annualised is for the period from 1 January 2018 to 31 March 2018. 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 for the half-year ended 31 December 2017, and the unaudited management accounts of Emeco and Matilda for the quarter ended 31 March 2018.

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 (CONTINUED)

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 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.

Underwriters

Macquarie Capital (Australia) Limited and Morgans Corporate Limited have acted as Joint Lead Managers and Underwriters of the Offer (the "Underwriters"). Neither Underwriter has authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Presentation and there is no statement in this Presentation which is based on any statement made by either of them or by any of their affiliates, officers or employees. To the maximum extent permitted by law, each of the Underwriters and each of their respective affiliates, officers, employees and advisers ("Underwriter Group") expressly disclaim all liabilities in respect of, and make no representations regarding, and take no responsibility for, any part of this Presentation other than references to their name and make no representation or warranty as to the currency, accuracy, reliability or completeness 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. Macquarie Capital (Australia) Limited and each of its related bodies corporate comprises a full service securities firm engaged in securities trading and brokerage activities as well as providing financing and financial advisory services; investment banking, research, asset management services and other commercial products and services to a wide range of companies and individuals (which may include Emeco and its related bodies corporate). In the ordinary course of these activities, Macquarie Capital (Australia) Limited and each of its related bodies corporate may at any time provide such services, including financing or lending services, to Emeco or its related bodies corporate, hold long or short positions, and may trade or otherwise effect transactions, for their own account or the accounts of its customers, in debt or equity securities or senior loans of Emeco, any of its related parties or any third party that may be involved in the Offer. 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. Transaction Summary



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TRANSACTION SUMMARY

Strategic and financially compelling acquisition of young fleet and high margin niche equipment rental business which complements Emeco existing business model

Transaction overview	Compelling strategic rationale	Fully underwritten equity raising	Strengthened balance sheet
<p>Emeco to acquire Matilda Equipment, a national rental business specialising in individual rentals of high demand, low-hour, late model mining ancillary equipment</p> <hr/> <p>Enterprise value of \$80 million represents an implied acquisition multiple of 3.3x 3Q18 operating annualised EBITDA¹</p>	<p>Niche business model facilitates premium rates and low R&M costs which generates high EBITDA margins</p> <hr/> <p>Matilda Equipment typically sells its equipment as it approaches the end of its first component life. Emeco provides a disposal channel for Matilda and Matilda provides a supply chain for Emeco, creating value for both parties</p> <hr/> <p>Complementary business model providing a channel for sustaining Emeco's ongoing ancillary equipment capex requirements</p>	<p>Acquisition consideration funded by a pro-rata accelerated non-renounceable entitlement offer to raise approximately \$90 million</p> <hr/> <p>Entitlement offer is fully underwritten by Macquarie Capital and Morgans</p>	<p>The transaction will reduce Emeco's pro forma net debt / 3Q18 operating annualised EBITDA from 2.5x to 2.1x²</p> <hr/> <p>Highly cash generative business given low capex requirements</p> <hr/> <p>On track to achieve leverage below 2.0x in FY19 and below 1.5x target in FY20 – important for refinancing on improved terms</p>

2. Acquisition Rationale



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ACQUISITION SUMMARY

Strategic acquisition within Emeco's core capability of equipment rental

Overview of the acquisition of Matilda Equipment	<ul style="list-style-type: none">— Emeco to acquire Matilda Equipment, a national equipment rental business based in Toowoomba, Queensland— Matilda Equipment has a high quality fleet of late model, low-hour ancillary equipment and long-term customer relationships— High margin niche business that is complementary to Emeco's existing business model
Key metrics	<ul style="list-style-type: none">— Implied transaction multiple of 3.3x 3Q18 operating annualised EBITDA¹— Reduces Emeco's pro forma net debt / 3Q18 operating annualised pro forma EBITDA from 2.5x to 2.1x²
Funding	<ul style="list-style-type: none">— Acquisition funded by a fully underwritten pro-rata accelerated non-renounceable entitlement offer to raise approximately \$90 million ("Entitlement Offer")
Conditions	<ul style="list-style-type: none">— The acquisition is conditional on successful completion of the Entitlement Offer— Emeco has certain termination rights (eg. material adverse change) which if exercised by Emeco would mean that the acquisition will not complete. In this event, Emeco would evaluate its options in relation to the use of the offer proceeds— Completion is currently expected to occur in early July 2018

COMPELLING ACQUISITION RATIONALE

Increases earnings whilst further strengthening Emeco's balance sheet by generating cash and growing the rental fleet with late model, low-hour in-demand equipment

Late model, low-hour in-demand fleet	<ul style="list-style-type: none"> ✓ High quality, young fleet of equipment at work and rent-ready ✓ Low-hour fleet with an average age of ~9,300 hours compared to existing Emeco portfolio of ~25,000 hours ✓ Mostly large late model dozers, but also includes service and water trucks, graders, loaders, compactors, water carts and excavators
Complementary business model	<ul style="list-style-type: none"> ✓ Matilda Equipment has a niche business model providing customers low-hour, high demand ancillary equipment ✓ Upon reaching the end of first life components, Matilda Equipment fleet will be used to supplement Emeco's fleet of ancillary equipment
Growth and strong cash flow	<ul style="list-style-type: none"> ✓ Potential upside from existing fleet as utilisation and rates continue upward trend ✓ Cash flow positive aligned with Emeco aggressive deleveraging strategy
Enhanced market position	<ul style="list-style-type: none"> ✓ Matilda Equipment provides an additional 83 in-demand machines increasing Emeco's platform to pursue growth ✓ Allows Emeco to offer customers an additional rental model ✓ Diverse customer base that complements Emeco's existing market presence
High quality management team	<ul style="list-style-type: none"> ✓ Experienced management team to continue with Emeco post-transaction ✓ Exceptional core capabilities in business development, sales and procurement ✓ Deep customer relationships

COMPLEMENTARY BUSINESS MODEL FOR ANCILLARY EQUIPMENT

Matilda Equipment’s strong EBITDA and high cash flow contribute to Emeco’s deleveraging strategy while supplying Emeco with end of first-life equipment



EMECO

<p>Business model</p>	<ul style="list-style-type: none"> • Strength is in large fleet projects with maintenance support <ul style="list-style-type: none"> - full fleet of production and ancillary equipment - long tenure - fully maintained - large project sites • Force component rebuild capability allows Emeco to run assets through multiple component lives, which extends equipment life, lowers cost and reduces capex requirements • Differentiated by ability to run mid-late hour equipment cost effectively, whilst still achieving high productivity and reliability • Labour intensive – 350 employees, predominantly trades • Achieves sustainable returns and earnings 	<p>Niche business model:</p> <ul style="list-style-type: none"> • Individual rentals through strong customer relationships and great business development capability • Young and late model ancillary equipment • Customers appreciate and pay a premium • Sells equipment prior to end of first component life • Strong procurement in niche fleet • No capital requirement for component rebuilds • Light touch maintenance <p>Financially achieves:</p> <ul style="list-style-type: none"> • High rates • Low repair and maintenance costs (due to first component life and OEM warranties) • High EBITDA margins • High cash generation
<p>Challenge</p>	<p>Need to replace existing fleet over time</p> <p>Dependency on selling fleet well, before the end of the first life</p>	

A combined Emeco and Matilda Equipment provides Emeco strong earnings plus a channel for refreshing / sustaining Emeco’s fleet of ancillary equipment whilst providing Matilda Equipment with an asset divestment solution as equipment reaches the end of its first component life



COMPLEMENTARY BUSINESS MODEL FOR ANCILLARY EQUIPMENT

Matilda Equipment provides Emeco a channel to replenish / sustain Emeco's fleet of ancillary equipment



3. Overview of Matilda Equipment



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OVERVIEW OF MATILDA

Matilda Equipment is a high margin, national rental company, providing late model, low-hour ancillary equipment

Overview

- Matilda Equipment is a supplier of late model, low-hour ancillary equipment, predominantly on a dry hire basis, to the mining sector
- Founded in 2003 by Managing Director Dan Jauncey, growing to a fleet of 83 machines today
- Condition, age of fleet and focus on individual rentals facilitates attractive unit economics
- Long-standing relationships with existing clients

Financials

- 3Q18 operating annualised revenue of \$34m¹
- 3Q18 operating annualised EBITDA of \$24m¹

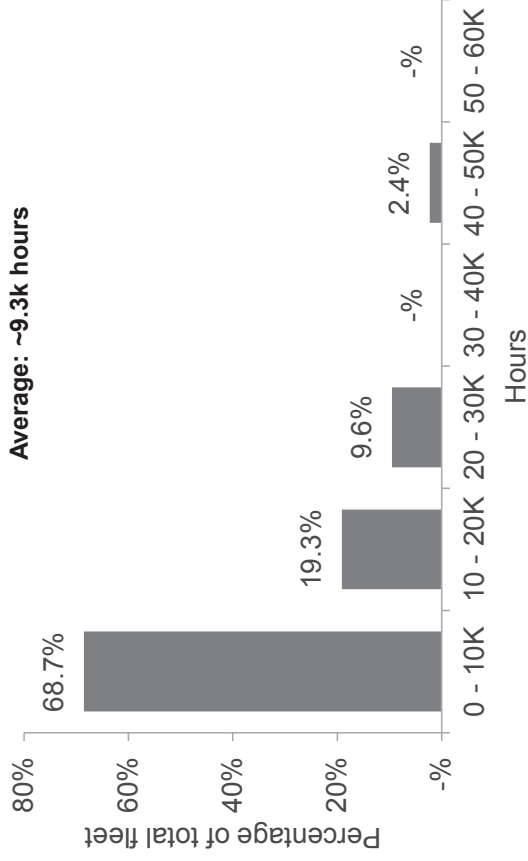


MATILDA EQUIPMENT – FLEET OVERVIEW

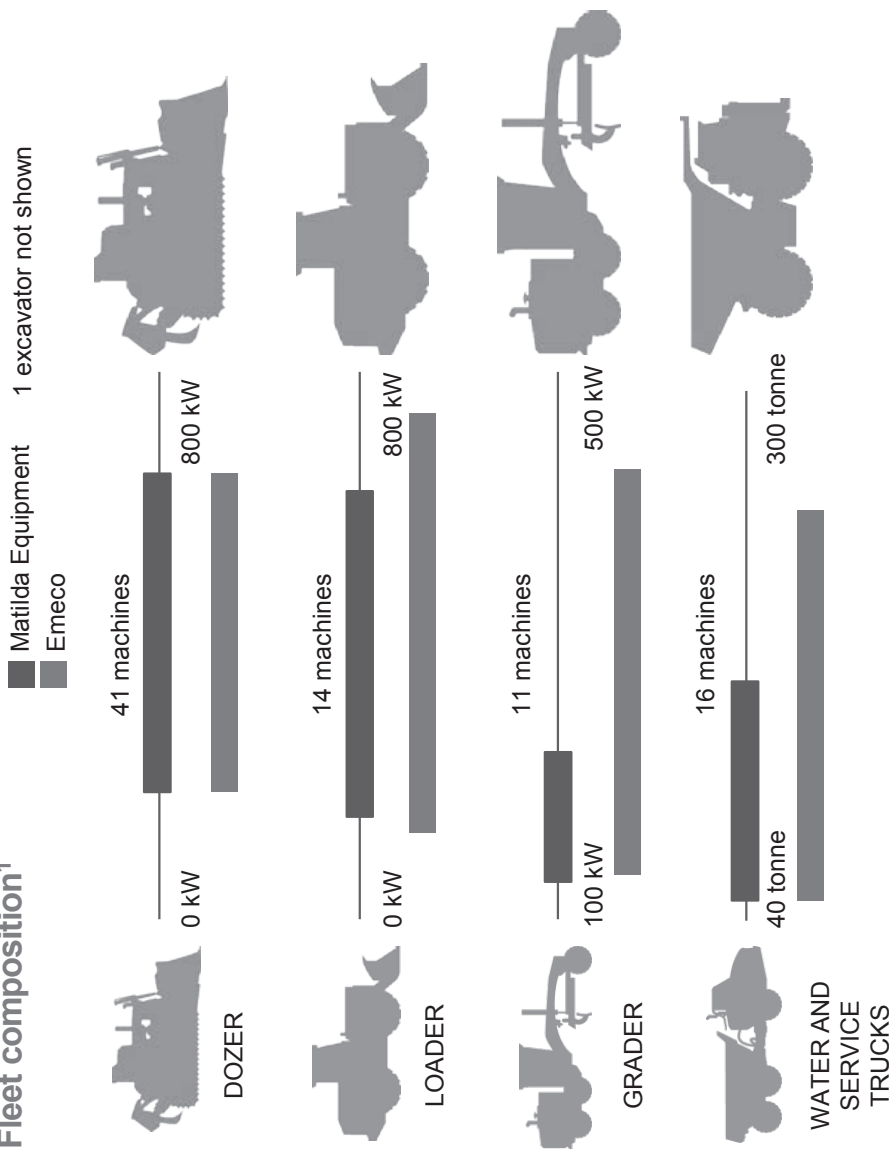
Matilda Equipment's fleet includes 83 pieces of equipment with an average age of ~9,300 SMU hours

- Late model, low-hour heavy earthmoving equipment
- Specialises in high demand ancillary equipment such as dozers, loaders, graders and service trucks

Indicative fleet age profile





Fleet composition¹



MATILDA EQUIPMENT – MANAGEMENT TEAM

Experienced management team will continue working with Emeco and bring deep customer relationships and strong procurement and business development capabilities

Management	Experience
 <p>Dan Jauncey Current Matilda Equipment CEO</p>	<ul style="list-style-type: none"> — Dan has over 20 years experience in the equipment rental industry including founding Matilda in 2003 — Dan has developed deep relationships with many of Australia’s leading miners and contractors — Strong procurement and disposal expertise, driving Matilda Equipment’s high margin business model of supplying late model, low-hour heavy equipment
 <p>Damien Wilson Current Matilda Equipment CFO</p>	<ul style="list-style-type: none"> — Damien is a Chartered Accountant with over 24 years experience in senior finance positions in both the public and private sector — Joined Matilda Equipment as Chief Financial Officer in 2012 with previous experience in the equipment hire industry as a financial controller at FKG & Sons

4. Combined Group Profile



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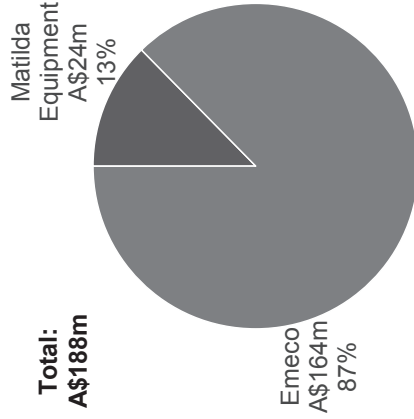
PRO FORMA TRANSACTION IMPACT

Emeco will have a strengthened financial profile and significantly improved leverage metrics following the transaction

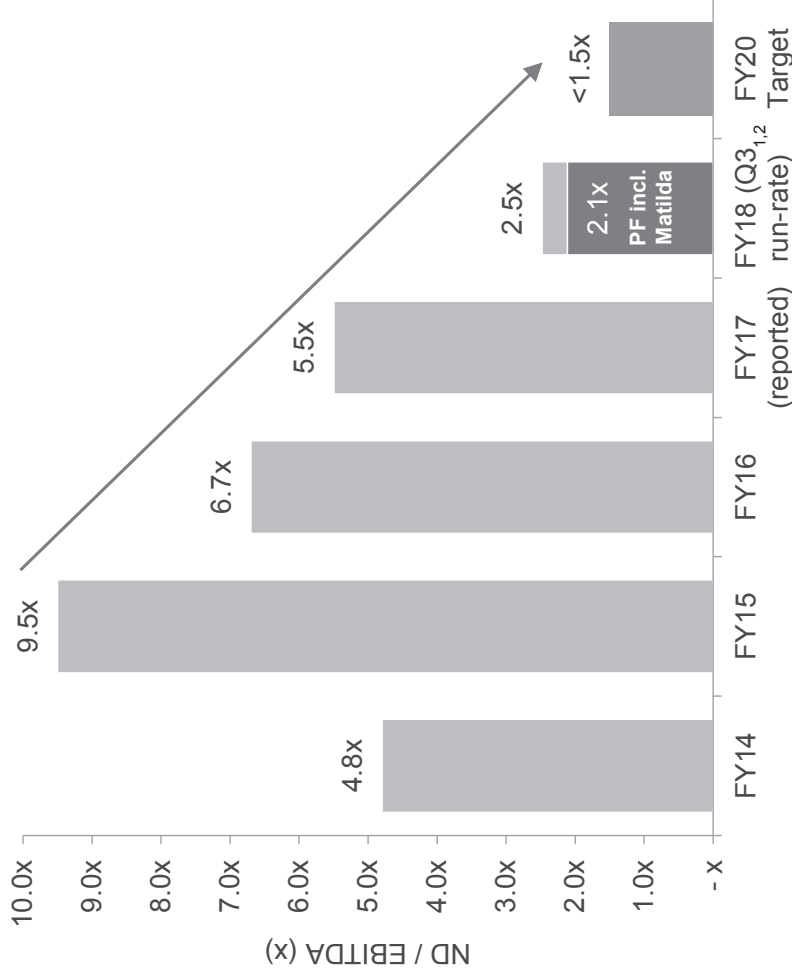
Financial impact

- 3Q18 pro forma run rate operating EBITDA of \$188 million, based on Emeco and Matilda Equipment's 3Q18 results¹
- Significantly strengthened balance sheet, with pro forma net debt of \$402 million and leverage of 2.1x – no new debt²

Pro forma 3Q18 Run Rate Operating EBITDA¹



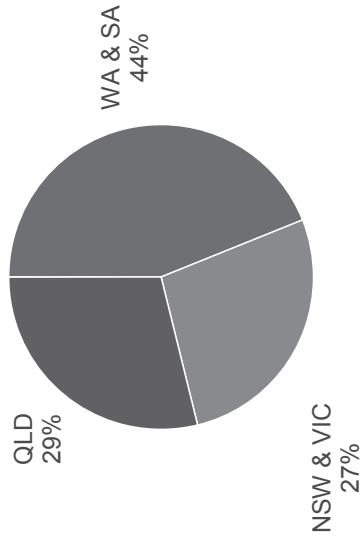
Pro-forma leverage



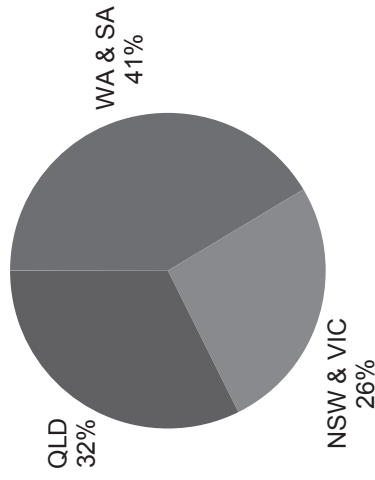
Notes: 1. Pro forma run rate operating EBITDA of \$188m based on annualised 3Q18 results including Emeco's 3Q18 operating EBITDA of \$41 million and Matilda's 3Q18 operating EBITDA of \$6 million based on unaudited management accounts as at 31 March 2018 with certain adjustments. Emeco 3Q18 operating run-rate EBITDA shown to reflect full year impact of Force acquisition which was completed on 30 November 2017. Matilda 3Q18 run-rate shown to reflect current trading performance of Matilda. In determining Emeco's operating EBITDA, significant items have been excluded from the statutory result. A reconciliation to net profit after tax is included in Appendix C.
 2. Net debt as at 31 December 2017 based on Emeco's reviewed 1H18 statement of financial position and adjusted for the indicative impact of an acquisition of Matilda if it were to have completed on 31 December 2017. Leverage based on pro forma 3Q18 run-rate operating EBITDA.

PROFILE OF COMBINED GROUP

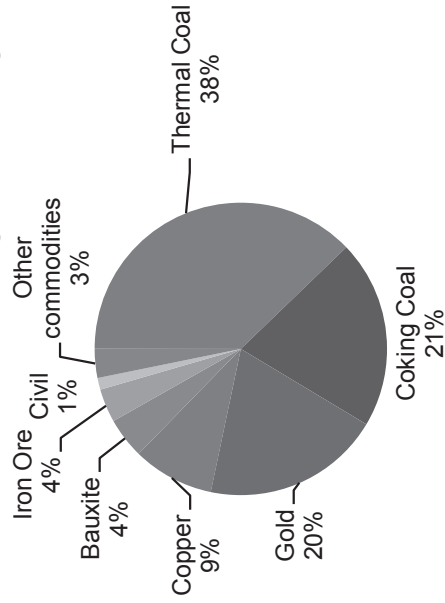
Pre-acquisition Australian revenue by region¹



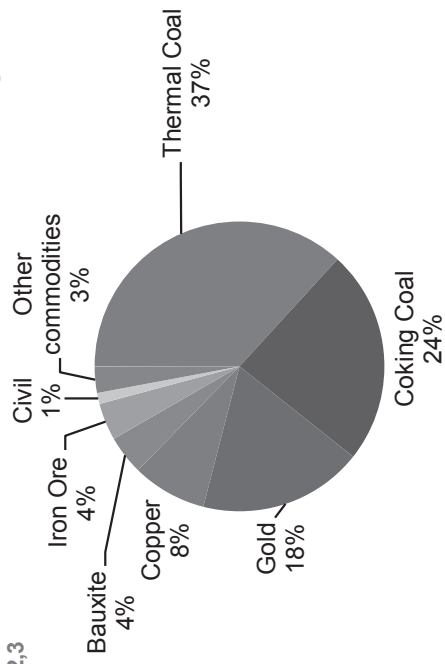
Pro forma post-acquisition estimated Australian revenue by region^{1,2}



Pre-acquisition estimated revenue by commodity exposure³



Pro forma post-acquisition estimated revenue by commodity exposure^{2,3}



Notes: 1. Based on Emeco's unaudited 3Q18 operating revenue. 3Q18 revenue shown to reflect full year impact of Force acquisition which was completed on 30 November 2017. 2. Revenue splits estimated by management and based on unaudited Matilda management accounts for the period ended 31 March 2018. 3. Revenue by commodity exposure is estimated based on predominant customer activity for 3Q18 and is indicative only. Other includes: mineral sands (0.8%), nickel (0.4%), manganese (0.2%) and other (1.8%).

PRO FORMA STATEMENT OF FINANCIAL POSITION

Transaction will result in a significant increase in Emeco's net assets post completion

	Emeco as at 31 December 2017	Entitlement Offer ¹	Matilda Equipment Acquisition ^{2,3,4,5,6}	Pro Forma Combined Group as at 31 December 2017
\$m	56	87	(82)	61
Cash & cash equivalents	418	-	67	485
Plant and equipment	117	-	8	125
Other assets	2	-	9	12
Total assets	594	87	2	683
Interest bearing loans ⁷	444	-	-	444
Other liabilities	99	-	4	103
Total liabilities	543	-	4	548
Net assets	50	87	(2)	135
Net debt	407	(87)	82	402

1. Funds received from the Entitlement Offer are net of \$3m raising costs.

2. In accordance with the Share Purchase Agreement (SPA), the Matilda Equipment statement of financial position does not include cash and debt on acquisition.

3. Indicative purchase price accounting has been applied to the Matilda Equipment acquisition assuming a consideration price of \$80m. The final consideration is subject to purchase price and capital expenditure adjustment clauses under the SPA and may differ. Estimated acquisition costs of \$2.0m have been assumed in the consideration provided in the table above.

4. An independent valuation of plant and equipment has been undertaken for the purposes of the indicative acquisition accounting.

5. The recognition of any intangible assets, including goodwill and the recognition of any deferred tax assets or liabilities which may arise as a result of the fair value adjustments is subject to Emeco finalising its fair value assessment of all assets and liabilities acquired as at the acquisition date. As a result these balances may change after the finalisation of the purchase price accounting by Emeco.

6. Based on unaudited Matilda Equipment management accounts as at 31 December 2017.

7. Interest bearing loans shown net of capitalised borrowing costs of \$18.9m and have been converted at an exchange rate of US\$0.78.

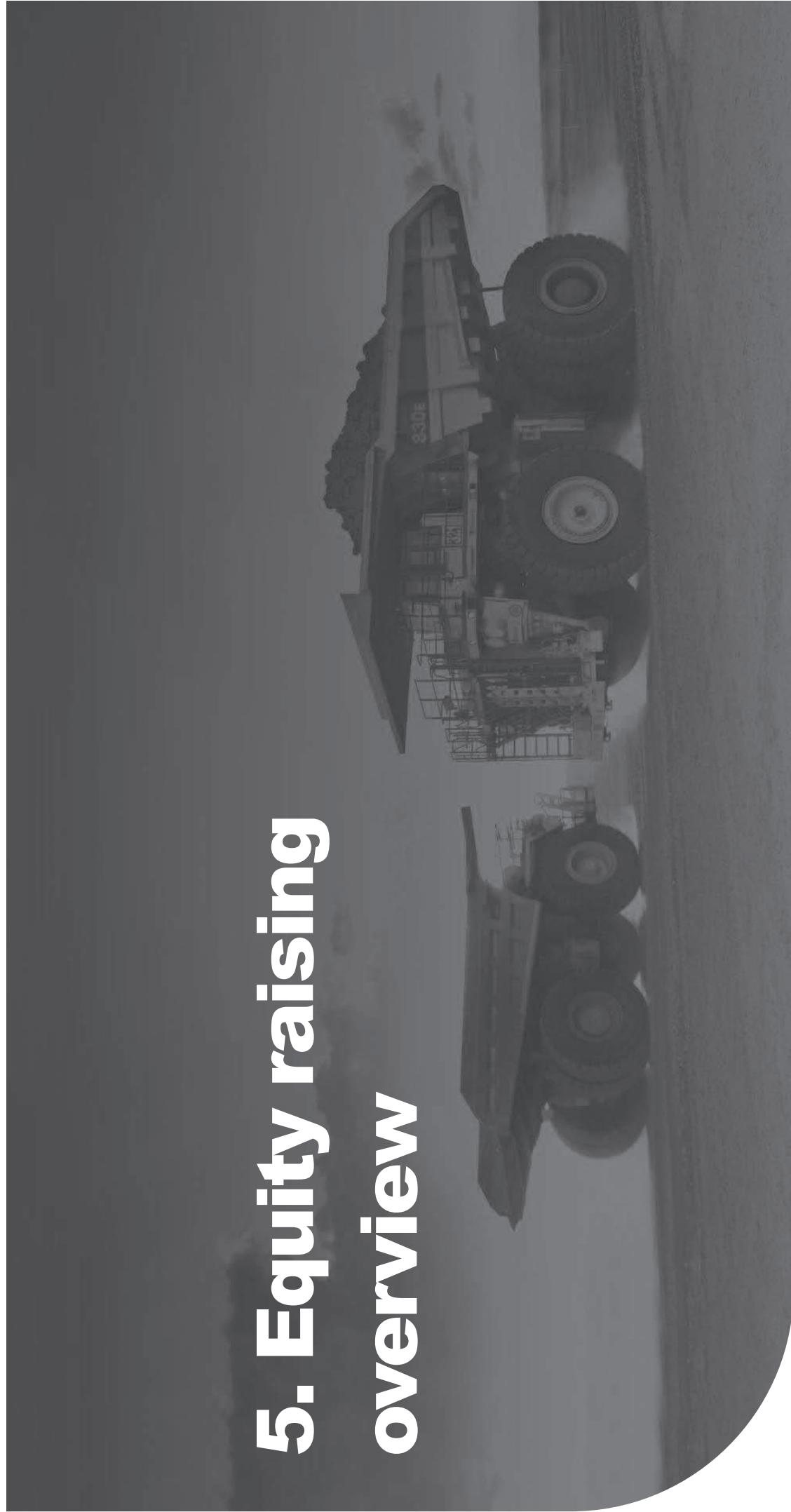
PRO FORMA EARNINGS AND LEVERAGE

Net debt / 3Q18 run rate operating EBITDA reduced to 2.1x post-acquisition

\$m	Emeco	Entitlement Offer	Matilda Equipment Acquisition	Pro Forma Combined Group
Net debt (as at 31 December 2017) ¹	407	(87)	82	402
3Q18 Operating EBITDA	41 ²	-	6 ³	47
3Q18 Run Rate Operating EBITDA ⁴	164	-	24	188
Net Debt / 3Q18 Run Rate Operating EBITDA	2.5x			2.1x

1. Net debt as at 31 December 2017 based on Emeco's reviewed 1H18 statement of financial position and adjusted for the indicative impact of an acquisition of Matilda Equipment if it were to have completed on 31 December 2017. Acquisition adjustment includes \$80m purchase price plus transaction costs of \$2.0m. The net proceeds from the entitlement offer include estimated costs of \$3.0m.
2. Emeco unaudited 3Q18 operating EBITDA includes the full year impact of the Force acquisition which was completed on 30 November 2017. In determining Emeco's 3Q18 operating EBITDA, significant items have been excluded from the statutory result. A reconciliation to net profit after tax is included in Appendix C.
3. Matilda 3Q18 operating EBITDA is based on unaudited management accounts for the quarter ended 31 March 2018, and has been normalised for the following items: profit on sale of assets (\$0.3m decrease), contract margin changes (\$0.1m increase), executive salary (\$0.1m decrease) and discontinued leases (\$0.1m increase).
4. 3Q18 operating EBITDA annualised (i.e. multiplied by four).

5. Equity raising overview



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EQUITY RAISING OVERVIEW

Transaction conservatively financed by equity raising, reducing leverage and ensuring Emeco's balance sheet remains strong

Offer size and structure	<ul style="list-style-type: none">— Fully underwritten pro-rata accelerated non-renounceable entitlement offer to existing shareholders to raise up to approximately \$90 million ("Entitlement Offer")— Under the Entitlement Offer, eligible shareholders are invited to subscribe for one new Emeco share ("New Shares") for every 7.8 existing Emeco shares held as at 7:00 pm (Sydney time) on Wednesday, 2 May 2018 ("Record Date")— Approximately 360 million New Shares to be issued— The Entitlement Offer is non-renounceable and entitlements will not be tradeable or otherwise transferable
Offer pricing	<ul style="list-style-type: none">— Offer price of \$0.25 per New Share, represents a:<ul style="list-style-type: none">— 9.6% discount to TERP¹ of \$0.2766; and— 10.7% discount to the last traded price of \$0.28 on 27 April 2018
Use of proceeds	<ul style="list-style-type: none">— The net proceeds raised from the Entitlement Offer will be used by Emeco to fund the acquisition of Matilda Equipment and associated transaction costs and working capital requirements
Expected timing	<ul style="list-style-type: none">— Institutional entitlement offer to be conducted from 30 April 2018 to 1 May 2018— Retail entitlement offer to open on 7 May 2018 and close on 17 May 2018
Ranking	<ul style="list-style-type: none">— New Shares issued under the Entitlement Offer will rank equally with existing shares on issue
Syndicate	<ul style="list-style-type: none">— Joint Lead Managers, Joint Underwriters and Joint Bookrunners: Macquarie Capital (Australia) Limited and Morgans Corporate Limited

Notes: 1. The theoretical ex-rights price ("TERP") is the theoretical price at which Emeco shares should trade at 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 equal the TERP. TERP is calculated by reference to Emeco's last closing share price of \$0.28 on 27 April 2018.

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SOURCES AND USES OF FUNDS

Sources	A\$m	Uses	A\$m
Gross proceeds from Entitlement Offer	90	Acquisition of Matilda Equipment	80
		Transaction costs and general working capital	10
Total sources of funds	90	Total uses of funds	90

EQUITY RAISING TIMETABLE

Event	Date (Sydney time)
Trading halt and announcement of acquisition and Entitlement Offer Institutional Entitlement Offer opens	Monday 30 April 2018
Institutional Entitlement Offer closes	Tuesday 1 May 2018
Trading halt lifted and trading resumes on an “ex-entitlement” basis	Wednesday 2 May 2018
Record Date for determining Eligible Shareholders under the Entitlement Offer	7:00 pm Wednesday 2 May 2018
Retail Entitlement Offer opens and Retail Offer Booklet dispatched	Monday 7 May 2018
Settlement of New Shares issued under the Institutional Entitlement Offer	Tuesday 8 May 2018
Allotment and normal trading of New Shares issued under the Institutional Entitlement Offer	Wednesday 9 May 2018
Retail Entitlement Offer closes	5:00 pm Thursday 17 May 2018
Settlement of Retail Entitlement Offer	Thursday 24 May 2018
Allotment of New Shares issued under the Retail Entitlement Offer	Friday 25 May 2018
Dispatch of holding statements and normal trading of New Shares issued under Retail Entitlement Offer	Monday 28 May 2018

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.

6. Summary & Outlook

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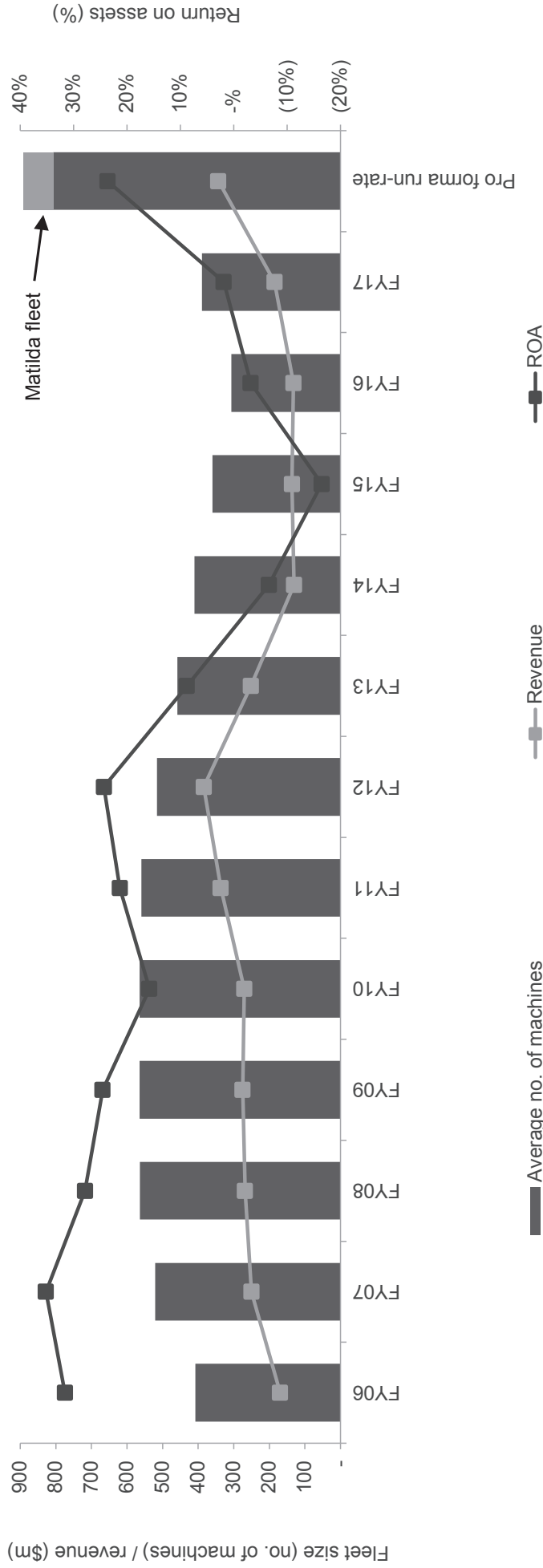


STRATEGY & OUTLOOK

Matilda Equipment acquisition is aligned with Emeco's continued pursuit to drive investor returns

- Return on assets achieved has increased markedly since FY15
- Revenue growth potential given (1) tightening equipment market and increased demand driving rates; and (2) excess capacity in Emeco's operating utilisation, especially on a significantly larger fleet

Historical Australian fleet (excludes support equipment), revenue and return on assets



Note: Pro forma run rate based on Emeco 1H18 figures and Matilda 3Q18 figures. Return on assets calculated as estimated EBITA for Australian fleet divided by estimated average written down value for Australian fleet.



FY18 OUTLOOK AND BEYOND

Expected growth in FY19 accelerated with Matilda Equipment acquisition and positions Emeco well to take advantage of improved market conditions

- What we're seeing in the market**
- Strong underlying momentum heading into FY19 with new project wins and existing project scope expansions
 - High demand for equipment with limited supply and increasing lead times
 - Customers are averse to capital expenditure and rental equipment is attractive to both miners and contract miners
 - Emeco is in a strong position to capitalise on new opportunities through a broadened value proposition, customer relationships and quality service

- What we're doing in the business**
- Utilising Force component rebuild capability to provide significant capex saving
 - Strong focus on optimising maintenance labour and reducing costs through centralised asset planning and procurement, and condition monitoring
 - Installation of MineQ technology to facilitate expanded use of EOS
 - Developing innovative solutions in cooperation with our customers to reduce overall costs and enhance productivity
 - Focus on increasing operating utilisation and improving rates

- Our objectives for the future**
- Generate cash to aggressively deleverage
 - Achieve net debt / operating EBITDA below 1.5x by FY20 to facilitate refinancing of senior secured notes on attractive terms and reduce interest costs
 - Maximise and sustain return on existing and future assets through the capex cycle
 - Pursue strategic and financially compelling acquisition opportunities
 - Restructure the business to reduce Emeco's cost of capital whilst enhancing our service capability to support a less capital intensive business

A. Risk factors



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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 deciding whether to take up all or part of your Entitlement. In particular, please refer to this Presentation, Emeco's full year and annual reports (including Emeco's most recent full year FY17 results announcement lodged with the ASX on 31 August 2017, its 2017 Annual Report lodged with the ASX on 20 October 2017, the investor materials in relation to the acquisition of Force Equipment Pty Ltd lodged with the ASX on 31 October 2017, Emeco's 1H FY18 results lodged with the ASX on 28 February 2018 and Emeco's 3Q18 operational update lodged with ASX on 18 April 2018) and other announcements lodged with ASX (including announcements which may be made by Emeco after publication of this Presentation). 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.

Introduction

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RISK FACTORS

Business risks

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 replacement equipment is dependent on supply of equipment and relationships with dealers for original equipment manufacturers (OEMs), sellers of equipment and 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 used equipment.

Access to and supply of used and new equipment

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 shortage of equipment and parts may constrict the Company's ability to enter new contracts or fulfil existing contracts and adversely impact future earnings and financial performance.

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.

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

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 (continued)

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 whether to keep and reinvest or dispose 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.

Fleet age and maintenance expenditure risk

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 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.

Financing constraints may also inhibit the ability of the Company to undertake all of the maintenance capital expenditure that it might like to implement.

RISK FACTORS

Business risks (continued)

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 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\$15 million of proceeds in FY17 from the sale of equipment (A\$15 million FY16). This was classified as other income.

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.

RISK FACTORS

Business risks (continued)

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.

RISK FACTORS

Business risks (continued)

<p>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:</p> <ul style="list-style-type: none">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; andviii. scarcity of materials and equipment. <p>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.</p> <p>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.</p>	<p>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.</p> <p>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:</p> <ul style="list-style-type: none">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; andii. safety incidents may result in operations at the affected site being suspended while the incident is being investigated. <p>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.</p> <p>Any of these consequences could have a material adverse effect on the Company's operating and financial performance.</p>
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RISK FACTORS

Business risks (continued)

Environmental risks

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.

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.

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.

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.

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. In 3Q18, 37.8% of revenues were generated from the provision of mining equipment rental services to thermal coal mining customers, 20.8% to coking coal mining customers, 9.0% to copper mining customers, 19.7% to gold mining customers and 3.7% to iron ore mining customers. 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.

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.

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 or the loss of key personnel.

RISK FACTORS

Business risks (continued)

Competition

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. OEM dealers may also compete directly with the Company.

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.

The Company's revenue is dependent on winning new contracts and operates in a competitive market. Award of new contracts depends on 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.

The Company may be 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 may limit 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.

Contractual risks

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 three 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 goods and services. 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.

RISK FACTORS

Business risks (continued)

<p>Indebtedness</p>	<p>The Company's gross debt position as at 31 December 2017 is approximately A\$456 million of senior secured notes ("Notes") and approximately A\$6.5 million of finance leases. The Company also has up to A\$35 million in additional debt and A\$5 million in bank guarantee commitments under a \$40 million revolving loan facility. This level of total potential indebtedness has important consequences for the Company and its Shareholders, including the following:</p> <ul style="list-style-type: none"> 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.
<p>Debt servicing and refinancing risk</p>	<p>Emeco's Notes need to be fully repaid, renewed or refinanced on or before March 2022.</p> <p>The ability of the Company to repay or reschedule the Notes and the revolving loan facility will ultimately be contingent on mining and exploration market activity, commodity prices, AU\$/US\$ exchange rate outcomes, achievement of integration plans, the ability of the Company to source additional funds through debt and equity markets and capital market risks at the time of refinancing.</p> <p>If market conditions deteriorate significantly against current projections a shortfall is likely.</p> <p>Accordingly, in these circumstances there would be significant uncertainty as to the Company's ability to fully repay, refinance or reschedule the outstanding Notes at maturity and therefore the Company's ability to continue as a going concern.</p> <p>As such, the Company would need to consider alternative financing arrangements prior to the maturity of the Notes, which may include the refinancing or restructuring of the Notes, 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.</p>
<p>Registration of Security Interests</p>	<p>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 Matilda, 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.</p>

RISK FACTORS

Business risks (continued)

<p>Insurance risks</p>	<p>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.</p>
<p>Regulatory risks</p>	<p>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.</p>
<p>Claims, liability and litigation</p>	<p>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.</p>
<p>Foreign exchange risks</p>	<p>The majority of the Company's debt is 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. Fluctuations in foreign currency exchange rates may also make period to period comparisons of results of operations difficult.</p>

RISK FACTORS

Risks related to the Acquisition of Matilda Equipment

<p>Completion risk</p>	<p>Emeco may terminate the Acquisition agreement in certain circumstances including where there is a material adverse change in Matilda or where Emeco does not receive approval from the ACCC in relation to the transaction. If these termination rights are exercised, completion of the Acquisition may not occur. The pending conditionality of the Acquisition over an extended period could adversely affect the business and operations of Matilda, including as a result of the potential impact on relationships with clients, suppliers and other counterparties, and provide an opportunity for competitors.</p> <p>Further, if the Acquisition is not completed as a result of a failure in satisfaction of the conditions precedent or exercise of termination rights, Emeco will need to consider alternative uses for the proceeds from the Entitlement Offer, including applying them towards debt reduction, working capital, review of alternative investment opportunities, and/or ways to return the proceeds from the Entitlement Offer to shareholders.</p> <p>Any failure to consummate the Acquisition could materially and adversely affect Emeco and the price of its shares.</p>
<p>Commodity price exposure</p>	<p>Matilda's earnings and future profitability may be adversely affected by fluctuations in commodity prices, in particular the price of coal which fluctuates significantly over time, is cyclical, difficult to forecast and outside of Matilda's control.</p> <p>Any prolonged decline in the price of commodity prices, particularly coal, may result in a corresponding decline in the use for Matilda's equipment, which will have an adverse effect on financial performance.</p>
<p>Reliance on information provided</p>	<p>The Q3FY18 financial information relating to Matilda in this presentation is unaudited and based on the unaudited management accounts of Matilda. Accordingly, investors should not rely on this information. Further, the pro forma financial information in this presentation in respect of both Matilda and Emeco is subject to a number of assumptions and has not been subject to audit and may not be indicative of actual results.</p> <p>A material unidentified misstatement of the recent financial performance of Matilda could potentially have a material adverse impact on the Company into the future. Emeco undertook a due diligence process in respect of Matilda, which relied in part on the review of legal and other information provided by Matilda. 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 presented (and made assumptions in doing so) the financial information relating to Matilda on a stand-alone basis and also on a combined basis (with Emeco post-completion).</p> <p>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.</p> <p>Shareholders should also note that there is no assurance that the due diligence conducted in respect of Matilda was conclusive and that all material issues and risks in respect of the Acquisition 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 has been able to review some of the foundations for the forward looking information relating to Matilda, forward looking information is inherently unreliable and based on assumptions that may not be achieved or satisfied in the future.</p>

RISK FACTORS

Risks related to the Acquisition of Matilda Equipment (continued)

<p>Integration risk</p>	<p>The Acquisition involves the integration of Matilda which has previously operated independently to Emeco. As a result, there is a risk that the integration of Matilda may be more complex than anticipated, encounter unexpected challenges or issues and take longer than expected, divert management attention or not deliver the expected benefits and this may affect Emeco's operating and financial performance. Further, the integration of Matilda's accounting functions may lead to revisions, which may impact on the Emeco Group's reported financial results.</p>
<p>Loss of Matilda Equipment personnel</p>	<p>While Emeco is committed to providing a continued attractive employment environment, conditions and prospects to assist in the retention of Matilda's key management personnel throughout the Acquisition process, there can be no assurance that there will be no loss of key staff leading up to and following the Acquisition by Emeco of Matilda.</p>
<p>Historical liability</p>	<p>If the Acquisition of Matilda completes, Emeco may become directly or indirectly liable for any liabilities that Matilda has incurred in the past as a result of prior acts or omissions, including liabilities which were not identified during Emeco's due diligence or which are greater than expected, and for which the various forms of protections negotiated by Emeco in its agreement to acquire Matilda (in the form of representations and warranties and indemnities) turn out to be inadequate in the circumstances. Such liability may adversely affect the financial performance or position of Emeco post-Acquisition.</p>
<p>Future earnings and acquisition accounting risk</p>	<p>Emeco has undertaken financial and business analysis of Matilda in order to determine its attractiveness to Emeco and whether to pursue the Acquisition. To the extent that the actual results achieved by Matilda are weaker than that anticipated, or any difficulties arise in integrating the operations of Matilda with those 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 Acquisition, Emeco will undertake a formal fair value assessment of all of the assets, liabilities and contingent liabilities of Emeco. 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 the determination of fair value of identifiable assets and liabilities acquired. The inclusion of Matilda reflects provisional amounts for the assets and liabilities acquired based on historic costs other than goodwill. Post Acquisition, 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>

RISK FACTORS

Risks related to the Acquisition of Matilda Equipment (continued)

In accordance with AASB 3, Matilda's identifiable assets, liabilities and contingent liabilities, including intangible assets, must be identified and valued as at the Acquisition date. The purchase price is then allocated across the fair value of these assets, liabilities and contingent liabilities with any residual recognised as goodwill. The valuation of intangible assets is a complex and time-consuming process that may require specialist skills and detailed information about the business, which will become available to Emeco following completion of the Acquisition. In addition, each of the identified intangibles acquired may have a limited life and must be amortised over that life in contrast to goodwill, which is subject to annual impairment review. Indefinite life intangibles are not amortised and are reviewed for impairment annually. A detailed identification and valuation process will therefore be undertaken after the Acquisition completes. The examples provided below are not intended to be an exhaustive list of items acquired in a business combination that meet the definition of an intangible asset. However they provide an indication of the types of intangibles that may be acquired as part of the Acquisition including client contracts.

Acquisition accounting

Under AASB 3, the Company has up to 12 months from the date of Acquisition during which retrospective adjustments can be made to the provisional Acquisition accounting. The Company has not completed an exercise to consider the fair value of the tangible and identifiable intangible assets and the liabilities acquired along with any related deferred tax amounts. No value has been attributed to potential carry forward tax losses or deferred tax liabilities related to intangible assets for the purposes of the pro forma historical statement of financial position. Accordingly, adjustments will impact the recorded amounts of assets and liabilities of the Company and will have an impact on depreciation and amortisation charges in future financial periods and therefore impact earnings before interest and tax ("EBIT") and net profit after tax ("NPAT").

Analysis of Acquisition opportunity

Emeco has undertaken financial, business and other analysis of Matilda in order to determine its attractiveness to Emeco and whether to pursue the Acquisition. It is possible that such analysis, and the best estimate assumptions made by Emeco, draws conclusions and forecasts that are inaccurate or which are not realised in due course. To the extent that the actual results achieved by Matilda are different than those indicated by Emeco's analysis, there is a risk that the profitability and future earnings of the Combined Group may be materially different from the profitability and earnings expected as reflected in this Presentation.

RISK FACTORS

Risks related to the Acquisition of Matilda Equipment (continued)

Matilda's revenues are subject to underlying contracts with varying terms. There is a risk that Matilda's contracts may be cancelled or may not be renewed if customers decide to reduce their levels of spending, potentially reducing their revenue. Most of these contracts can be terminated at the customer's convenience.

Contract operations are vulnerable to the risk of interruption as a result of a variety of factors, which may be beyond Emeco's control, including the following:

- variations to reduce scope of works;
- prolonged heavy rainfall or cyclone;
- geological instability, including strong seismic activity, landslides, mudslides, rock falls, cave-ins, or conditions that threaten to result in such an event;
- accidents or unsafe conditions;
- equipment breakdowns;
- industrial relations issues; and
- scarcity of materials and equipment.

Contract termination / Reduction in contract scope

If Matilda does not perform its obligations under a contract in accordance with the terms of the contract, Matilda is at risk that the contract will be terminated. Any such performance issue may result in contract guarantees being relied upon by its clients and could also adversely affect Matilda's reputation in the marketplace which could adversely impact its ability to secure new contracts.

In addition, Matilda's contracts may be subject to termination for convenience by clients without cause. In the event of a contract termination, Emeco may not be able to redeploy the assets and resources used on that project to other projects on the same terms or at all and may experience downtime between demobilisation and redeployment. Any of these factors could materially adversely affect Emeco's margins and results of operations.

RISK FACTORS

Risks associated with the Entitlement Offer and Share ownership

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 lessor more than the price under the Entitlement Offer. Generally applicable factors that may affect the market price of shares include:

- 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

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.

Sell-down by Emeco's substantial shareholders

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.

Economic risk and external market factors

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.

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.

RISK FACTORS

Risks associated with the Entitlement Offer and Share ownership (continued)

<p>Change in accounting or financial reporting standards</p>	<p>Changes in accounting or financial reporting standards may adversely impact the reported financial performance of the Emeco Group.</p>
<p>War and terrorist attacks</p>	<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>
<p>Negative publicity</p>	<p>The Emeco Group will be subject to the risk that negative publicity, whether true or not, may affect stakeholder perceptions of the Emeco Group's past actions and future prospects. Being listed on the ASX means that the Emeco Group will be subject to risks relating to market expectations for its business and financial and operating performance. If the Emeco 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>
<p>Changes in taxation laws</p>	<p>Variation in the taxation laws affecting the Emeco 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>
<p>Credit rating risk</p>	<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>

RISK FACTORS

Risks associated with the Entitlement Offer and Share ownership (continued)

The Underwriting Agreement relating to the Entitlement Offer sets out various events, the occurrence of which will entitle the Underwriters to terminate the Underwriting Agreement. Accordingly, there is a risk that the Underwriters may terminate their obligations under the Underwriting Agreement if any such events occur. These events include where:

- any of the offer documents (including this Investor Presentation and all ASX announcements made in connection with the Entitlement Offer) omit certain material required by the Corporations Act, contain a statement which is misleading or deceptive, or the cleansing notice lodged by Emeco in respect of the Entitlement Offer is “defective” within the meaning of the Corporations Act;
- there are certain delays in the timetable for the Entitlement Offer without the Underwriters’ consent;
- Emeco ceases to be admitted to the official list of ASX or its ordinary shares are suspended from trading or quotation;
- Emeco withdraws the Entitlement Offer;
- the Acquisition agreement is terminated or rescinded, breached in a material respect or a condition precedent to any party’s obligations under the Acquisition agreement becomes incapable of being satisfied;
- there is a material adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Emeco Group;
- the S&P/ASX 200 Index falls by 10% or more from its reference level and closes at that level for 2 consecutive business days or more; and
- ASIC takes certain regulatory action in respect of the Company or the Offer.

The ability of the Underwriters to terminate the Underwriting Agreement in respect of some events (including breach of the Underwriting Agreement by Emeco, market disruption, hostilities or regulatory action) will depend (amongst other things) on whether the event has or is likely to have a material adverse effect on the success or settlement of the Entitlement Offer, the price at which New Shares may trade on the ASX or could reasonably be expected to give rise to a contravention by, or liability for, an Underwriter under applicable law.

If the Underwriting Agreement is terminated for any reason, then Emeco may not receive the full amount of the proceeds expected under the Entitlement Offer, its financial position may change and it may need to take other steps to raise debt or equity capital in order to fund and complete the Acquisition.

Risks associated with not taking up your rights under the Entitlement Offer

If you do not take up all of your entitlements to acquire New Shares under the Entitlement Offer, your percentage shareholding in Emeco will be diluted by not participating to the full extent in the Entitlement Offer. As the Entitlement Offer is non-renounceable, you will not receive any value for entitlements you do not take up.

B. International Offer Restrictions



emeco



INTERNATIONAL OFFER RESTRICTIONS

This document does not constitute an offer of 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 New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

1. Canada

Securities law in Canada is governed by provincial legislation and provincial regulators (as opposed to federally).

1.1 Institutional Offer

We understand that the New Shares may be offered to institutional investors in Canada that are resident in the provinces of British Columbia, Ontario and Quebec (the "Provinces").

Exemption for accredited investors

Generally stated, a distribution of securities must be made pursuant to a prospectus registered in the applicable Provinces (the "Prospectus Requirement"). Each Province, however, has an exemption from the Prospectus Requirement for trades in securities with an "accredited investor" that is purchasing as principal (the "Accredited Investor Prospectus Exemption"). The term "accredited investor" includes banks, investment funds, pension funds and other regulated financial institutions as well as regulated advisers and dealers and high net worth individuals. An equity offer may be made to an unlimited number of "accredited investors" in the Provinces.

Filing with Provincial securities regulator with respect to any sale of securities

For each Province in which an issuer sells securities in reliance on the Accredited Investor Prospectus Exemption, it must lodge a Report of Exempt Distribution (Form 45-106F1) and pay a filing fee within 10 days after settlement. The Report of Exempt Distribution is a notice filing that discloses certain information, including (i) contact details of the issuer; (ii) information on the purchase price (converted into Canadian dollars) for securities sold in the Province; (iii) name and address of the purchasers in the Province; and (iv) identity and compensation paid to any underwriter/placement agent involved in the placement to residents of a Province.

A signature of an officer (eg. Company Secretary) of the issuer is required on any Form 45-106F1 and may be transmitted via pdf. The filing fee for Ontario is C\$500. In British Columbia, the fee is the greater of C\$100 or .03% of the proceeds raised from the securities sold to residents of British Columbia. In Quebec, the fee is the greater of C\$260 or .025% of the proceeds raised from securities sold to Quebec residents.

In addition, if securities are sold in Ontario and Quebec, a copy of any offer document (including any investor presentation that promotes the Offer) must be filed within 10 days after settlement.

Our Toronto office can assist with these lodgings with the relevant provincial authorities and pay the filing fees subject to reimbursement by the Company.

Resale of securities acquired pursuant to an exemption

Securities that are acquired in reliance on an exemption, such as the Accredited Investor Prospectus Exemption described above, are subject to re-sale restrictions. However, a commonly relied upon exemption (the "De Minimis Re-sale Prospectus Exemption") would allow the New Shares to be resold pursuant to an exemption from the Prospectus Requirement if:

- the Company is not a reporting issuer in Canada;
- at the time of distribution of New Shares pursuant to the Offer there is a de minimis market for the New Shares in Canada (ie, fewer than 10% of direct or indirect shareholders resident in Canada and such persons hold directly or indirectly less than 10% of the outstanding securities of the class); and
- the re-sale is executed through a stock exchange or market outside Canada or made to a person outside Canada.

If these conditions are not fulfilled, then the New Shares would be subject to a re-sale restriction period that may never expire if the Company does not become a reporting issuer in a Canadian province. If such a scenario is likely (eg, if Canadian residents may, directly or indirectly, own more than 10% of the Company's ordinary shares as a result of the Offer), then additional disclosure to Canadian investors may be advisable.

1.2 Legend of foreign offer restrictions

We have provided sample disclaimer language in Schedule 1 that should be included in any document that would qualify as an "offering memorandum" in the Provinces. Generally speaking, an "offering memorandum" is any document that describes the business and affairs of an issuer that has been prepared to assist a purchaser in making an investment decision with respect to an exempt distribution. Any offer document or investor presentation that promotes the Offer would likely qualify as an offering memorandum.

1.3 Representations of institutional investors

In the Provinces, it is best practice to have Canadian subscription materials that would usually include an Accredited Investor Certificate, a French Language Waiver, a Consent to Disclosure of Personal Information Form and a Canadian Anti-Money Laundering Certificate. However, given our understanding that the Offer in Canada will be limited to sophisticated institutional investors, we recommend that they give the representations set forth in Schedule 2.

With respect to the English Language Consent/French Language Disclaimer contained as representation (m) in Schedule 2, we note that this representation may not be definitive if a subscriber in Quebec later demands that all documents be supplied in French (and best practice is to have the English Language Consent signed separately by each Quebec investor) but that the representation is consistent with market practice.

INTERNATIONAL OFFER RESTRICTIONS

2. Hong Kong

An offer of ordinary shares to the public in Hong Kong is subject to the prospectus registration requirement under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (the "CO") and the general prohibition on offers of investments to the Hong Kong public under the Securities and Futures Ordinance (the "SFO"). However, the CO contains certain exemptions from the prospectus registration requirement. An offer of ordinary shares that is exempt from the prospectus registration requirement of the CO is also exempt from the prohibition under the SFO.

2.1 Institutional Offer

An offer of ordinary shares may be made to an unlimited number of "professional investors" in Hong Kong without a prospectus or registration. The term "professional investor" includes regulated financial intermediaries such as banks, insurance companies, providers of investment services and collective investment schemes (ie, managed funds) as well as high net worth individuals (having a portfolio of at least HK\$8 million).

2.2 Legend of foreign offer restrictions

Any offer document (including an investor presentation relating to the Offer) should include an appropriate foreign offer restriction legend, such as the following:

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 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 and any rules made under that ordinance).

No advertisement, invitation or document relating to 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 New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted 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.

2.3 Representations of investors

Representations of investors are advisable and we recommend the following:

If you (or any person for whom you are acquiring the 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.

3. New Zealand

The securities law systems in Australia and New Zealand are similar and these countries have a mutual recognition regime for public offers of securities in their respective countries.

3.1 Institutional Offer and Retail Offer

New Zealand law permits Australian issuers to extend entitlement offers for securities that are listed on the ASX to an unlimited number of existing security holders in New Zealand without any locally compliant offer document, registration or filing in New Zealand. This exemption does not, however, apply to securities relating to entitlements that are not taken up by security holders and sold in a bookbuild placement process.

A placement of securities may be made to an unlimited number of wholesale investors without any locally compliant offer document, registration or filing in New Zealand if each investor:

- is an investment business (eg, entities whose principal business consists of investing in financial products or trading in financial products on behalf of other persons);
- meets certain investment activity criteria (eg, owning or acquiring a portfolio of financial products having a value of at least NZ\$1 million in the past two years);
- has net assets, or total turnover, of over NZ\$5 million for each of the last two years;
- is a government agency, or
- is an "eligible investor".

The term "eligible investor" means a person who, in relation to an offer of financial products:

- certifies in writing that such person has previous experience in acquiring or disposing of financial products, such that such person is able to assess the merits of the offer, the information that such person requires and the adequacy of the information provided;
- understands the consequences of certifying themselves as an eligible investor;
- states in a certificate the grounds for the certification; and
- obtains written confirmation of the certificate, signed by an authorised financial adviser, a chartered accountant or a lawyer.

INTERNATIONAL OFFER RESTRICTIONS

3.2 Legend of foreign offer restrictions

(a) The following is a legend for any offer document (including an investor presentation) relating to the Institutional Offer in New Zealand:

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 New Shares 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.

(b) The following is a legend for inclusion in any offer document for the Retail Offer:

New Zealand

The New Shares 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 Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law 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.

3.3 Representations of investors

Representations of New Zealand shareholders are not required for a non-renounceable entitlement offer with respect to the pro-rata issuance.

However, because the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 does not apply to shares not taken up by shareholders and placed as part of a bookbuild process offer, the representation below for placements is applicable in such circumstances.

Representations of New Zealand investors in a placement are customary, such as follows:

If you (or any person for whom you are acquiring or procuring the New Shares) are in New Zealand, you (and any such person):

- (a) are a person who (i) is an investment business within the meaning of clause 37 of Schedule 1 of the Financial Markets Conduct Act 2013 (New Zealand) (the "FMC Act"), (ii) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act, (iii) is large within the meaning of clause 39 of Schedule 1 of the FMC Act, (iv) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act or (v) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act;
- (b) acknowledge that: (i) Part 3 of the FMC Act shall not apply in respect of the offer of New Shares to you, (ii) no product disclosure statement under the FMC Act may be prepared in respect of the offer of New Shares and (iii) any information provided to you in respect of the offer is not required to, and may not, contain all of the information that a product disclosure statement under New Zealand law is required to contain;
- (c) warrant that if in the future you elect to directly or indirectly offer or sell any of the New Shares allotted to you, you undertake not to do so in a manner that could result in (i) such offer or sale being viewed as requiring a product disclosure statement or other similar disclosure document or any registration or filing in New Zealand, (ii) any contravention of the FMC Act or (iii) the Company or its directors incurring any liability; and
- (d) warrant that (i) any person for whom you are acquiring or procuring New Shares meets one or more of the criteria specified in subclause (a) above and (ii) you have received, where required, a safe harbour certificate in accordance with clause 44 of Schedule 1 of the FMC Act.

INTERNATIONAL OFFER RESTRICTIONS

4. Norway

4.1 Institutional Offer

An offer of ordinary shares may be made to an unlimited number of "professional clients" in Norway without a prospectus or registration. The term "professional clients" includes financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors whose main business is to invest in financial instruments.

4.2 Legend of foreign offer restrictions

Any offer document (including an investor presentation relating to the Offer) should include an appropriate foreign offer restriction legend, such as the following:

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

4.3 Representations of investors

Representations of investors are advisable and we recommend the following:

If you (or any person for whom you are acquiring the New Shares) are in Norway, you (and any such person) are a "professional client" as defined in Norwegian Securities Regulation of 29 June 2007 no. 876.

5. Singapore

5.1 Institutional Offer

An offer of ordinary shares may be made to an unlimited number of "institutional investors" in Singapore without a prospectus or registration. The term "institutional investor" includes regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as pension funds, Singapore government or statutory bodies, and institutional investors with professional treasury operations.

In addition, an offer of securities in a corporation may be made to an unlimited number of "relevant persons", which term includes (i) high net worth individuals whose net personal assets exceed in value S\$2 million or whose income in the preceding 12 months is not less than S\$300,000; and (ii) corporations with net assets exceeding S\$10 million in value, without a prospectus or registration, subject to the following conditions:

- the offer is not accompanied by an "advertisement" making an offer or calling attention to the offer or intended offer;
- no selling or promotional expenses are paid or incurred in connection with the offer other than those incurred for administrative or professional services, or by way of commission or fee for services rendered by (i) the holder of a capital markets services licence to deal in securities under the Securities and Futures Act (Cap. 289) ("SFA"); (ii) an exempt person in respect of dealing in securities under the SFA; or (iii) a person who is licensed, approved, authorized or otherwise regulated under the laws, codes or other requirements of any foreign jurisdiction in respect of dealing in securities, or who is exempted therefrom in respect of such dealing; and
- subject to certain exceptions, no prospectus in respect of the offer has been registered by the Monetary Authority of Singapore.

5.2 Legend of foreign offer restrictions

Any offer document (including an investor presentation relating to the Offer) should include an appropriate foreign offer restriction legend, such as the following:

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus 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 New Shares, may not be issued, circulated or distributed, nor may the 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 section 275(2) of 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 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 New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

INTERNATIONAL OFFER RESTRICTIONS

5.3 Representations of investors

Representations of investors are advisable and we recommend the following:

If you (or any person for whom you are acquiring the 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.

6. Switzerland

6.1 Institutional Offer

An offer of ordinary shares may be made to an unlimited number of "qualified investors" in Switzerland without a prospectus or registration. The term "qualified investor" includes regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations.

6.2 Legend of foreign offer restrictions

Any offer document (including an investor presentation relating to the Offer) should include an appropriate foreign offer restriction legend, such as the following:

Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the listing rules of any stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland.

The New Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations. This document is personal to the recipient and not for general circulation in Switzerland.

Neither this document nor any other offering or marketing material relating to the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority.

6.3 Representations of investors

Representations of investors are advisable and we recommend the following:

If you (or any person for whom you are acquiring the New Shares) are in Switzerland, you (and any such person) are an institutional investor (i) subject to Swiss or foreign prudential supervision such as a bank, securities dealer, insurance institution or fund management company or (ii) with professional treasury operations.

INTERNATIONAL OFFER RESTRICTIONS

7. United Kingdom

7.1 Institutional Offer

An offer of ordinary shares may be made to an unlimited number of "qualified investors" in the United Kingdom without a prospectus or registration. The term "qualified investor" includes credit institutions, investment business firms, insurance undertakings, collective investment schemes and other authorized or regulated financial institutions.

7.2 Legend of foreign offer restrictions

Any offer document (including any investor presentation relating to the Offer) should include an appropriate foreign offer restriction legend, such as the following:

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

7.3 Representations of investors

Representations of investors are advisable and we recommend the following:

If you (or any person for whom you are acquiring the New Shares) are in the United Kingdom, you (and any such person) are:

- a "qualified investor" within the meaning of Section 86(7) of the United Kingdom Financial Services and Markets Act 2000; and
- within the categories of persons referred to in Article 19(5) (investment professionals) or Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the United Kingdom Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, as amended.

C. Basis of preparation and operating to statutory financials reconciliation

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PRO FORMA FINANCIALS – BASIS OF PREPARATION

Basis of Preparation

The basis of preparation in compiling the Pro forma Statement of financial position and Pro forma earnings and leverage information post Entitlement Offer and Acquisition as disclosed on slides 18 and 19 of this presentation (and collectively referred to as the pro forma historical financial information) 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 financial report for the year ended 30 June 2017.
- 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 Interim Financial Report as at 31 December 2017. Emeco's & Matilda's pro forma historical EBITDA for the quarter ended 31 March 2018 has been derived from their unaudited management accounts.
- Emeco's complete Financial Report for the year ended 30 June 2017 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 position of the combined group as if the Acquisition and Entitlement Offer was effective at 31 December 2017. For the purposes of the pro forma earnings and leverage information the pro forma combined Q3 EBITDA annualised is for the period from 1 January 2018 to 31 March 2018.

OPERATING TO STATUTORY FINANCIALS RECONCILIATION

\$m	FY17	3Q18	3Q18 run rate
Statutory NPAT from continuing operations	(156.1)	5.8	
Adjusted for:			
Business acquisition and restructuring costs	88.0	0.0	
Impairment expense	10.2	(1.9)	
Depreciation and Amortisation	61.5	18.2	
Net Finance costs	34.2	12.2	
Net FX loss/(gain)	10.1	2.7	
Tax Expense	14.7	-	
EBITDA discontinued operations	7.0	0.0	
Total EBITDA	69.6	37.1	
Long Term Incentives expense	6.4	1.6	
Redundancy & Restructuring expense	7.5	2.3	
Operating EBITDA	83.5	41.0	163.9

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 Monday 7 May 2018 (other than the Emeco Investor Presentation and the Entitlement Offer Announcement, published on the ASX website on Monday, 30 April 2018) 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.

6.1 Eligible Retail Shareholders

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

Eligible Retail Shareholders are those persons who:

- are registered as a holder of Shares as at the Record Date, being 7.00pm (Sydney time) on Wednesday 2 May 2018;
- have a registered address on the Emeco Share Registry in Australia or New Zealand, or are a Shareholder that Emeco has otherwise decided is entitled to participate;
- 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);
- were not invited to participate in the Institutional Entitlement Offer and were not treated as an Ineligible Institutional Shareholder; and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

Shareholders who are not Eligible Retail Shareholders are Ineligible Retail Shareholders. Emeco reserves the right to determine whether a shareholder is an Eligible Retail Shareholder or an Ineligible Retail 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 Retail Shareholder. Nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

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 Monday, 30 April 2018 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.

By applying under the Entitlement Offer, 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 Quotation and trading of New Shares

Emeco has applied for quotation of the New Shares on ASX in accordance with the Listing Rule requirements. If ASX does not grant quotation of the New Shares, Emeco will repay all Application Monies (without interest). It is expected that trading on the ASX of New Shares to be issued under the Retail Entitlement Offer will commence at 10.00am (Sydney time) on Monday 28 May 2018 on a normal settlement basis. Application Monies will be held by Emeco on trust for applicants until the New Shares are allotted. No interest will be paid on Application Monies.

It is the responsibility of applicants to determine the number of New Shares allotted and issued to them prior to trading in the New Shares. 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.

6.8 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 Retail 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 take up or exercise Entitlements 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 complies with applicable foreign laws. Emeco is not able to advise on foreign laws.

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 1800 689 300 (within Australia) or +61 1800 689 300 (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 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 1800 689 300 (within Australia) or +61 1800 689 300 (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.

6.11 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.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of Emeco with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law 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.

United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

6.12 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, execution of the Acquisition Agreement, and the ASX not indicating that it will refuse quotation of the New Shares;
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 may (in certain circumstances, having regard to the materiality of the relevant event), terminate the Underwriting Agreement and be released from its obligations under it on the occurrence of certain events, including (but not limited to) where:

- any offer document (including this Retail Offer Booklet and all ASX announcements made in connection with the Entitlement Offer) omit certain material required by the Corporations Act, contain a statement which is misleading or deceptive or likely to mislead or deceive, or the cleansing notice lodged by Emeco in respect of the Entitlement Offer is “defective” within the meaning of the Corporations Act; there are certain delays in the timetable for the Entitlement Offer without each Underwriter’s consent;
- ASIC takes certain actions in connection with the Entitlement Offer;
- Emeco is removed from the official list of ASX, its shares are suspended from quotation, or approval for quotation of New Shares is not given by the ASX;
- the Acquisition agreement is terminated or rescinded, breached in a material respect or a condition precedent to any party’s obligations under the Acquisition agreement becomes incapable of being satisfied;
- there is a material adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Emeco group;
- the S&P/ASX 200 Index falls by 10% or more from its reference level and closes at that level for 2 consecutive business days or more;
- ASIC takes certain regulatory action in respect of the Company or the Offer;
- there are material financial or economic disruptions in key markets; or
- Emeco breaches the terms of the Underwriting Agreement.

The ability of the Underwriters to terminate the Underwriting Agreement in respect of some events (including breach of the Underwriting Agreement by Emeco, market disruption, hostilities or regulatory action) will depend (amongst other things) on whether the event has or is likely to have a material adverse effect on the success or settlement of the Entitlement Offer, the price at which New Shares may trade on the ASX or could reasonably be expected to give rise to a contravention by, or liability for, an Underwriter under applicable law.

Each Underwriter will be paid in their respective proportions, in relation to the Entitlement Offer, an underwriting fee of 2.6% and a management fee of 0.4% of the gross proceeds of the Entitlement Offer. The Underwriters will also be reimbursed for certain expenses.

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.

6.13 Governing law

This Information, the 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.

6.14 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.

6.15 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.

6.16 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: 1800 689 300

Outside Australia +61 1800 689 300

Open between 8.30am to 5.30pm (Sydney time)

Monday to Friday during the Retail Entitlement Offer period.

Issuer

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