

Emeco Holdings Limited
ACN 112 188 815

Market release
14 August 2006

Substantial shareholder notice – Emeco Holdings Limited

The attached Form 603 is being lodged to satisfy legal requirements. It should be noted, however, that Emeco Holdings Limited only holds an interest in its shares as a technical matter by virtue of voluntary escrow arrangements, as set out in the attached form.

In particular, it should be noted that Emeco Holdings Limited has no control over the voting or dividend rights attaching to the shares subject to voluntary escrow (that remain with the holders of the relevant shares), nor does Emeco Holdings Limited have an ability to trade the shares in which it has an interest by virtue of these voluntary escrow arrangements.

Regulatory notifications

This release is not an offer of securities for sale in the United States. The securities referred to in this release have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States absent registration under the Securities Act and applicable state securities laws or an exemption from registration under the Securities Act and such laws. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the issuer and that will contain detailed information about the company and management, as well as financial statements.

For further information, contact:
Michael Kirkpatrick, Emeco
08 9420 0222

Form 603

Corporations Act 2001

Section 671B

Notice of initial substantial holder

To Company Name/Scheme Emeco Holdings Limited

ACN/ARSN 112 188 815

1. Details of substantial holder (1)

Name Emeco Holdings Limited

ACN (if applicable) 112 188 815

The holder became a substantial holder on 28/07/06

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities(4)	Number of securities	Persons' votes(5)	Voting power (6)
Ordinary	123,227,146	123,227,146	19.47%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
See Item 1 of Annexure A	See Item 1 of Annexure A	See Item 1 of Annexure A

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Emeco Holdings Limited	Pacific Equity Partners (Jersey) Limited as General Partner of Pacific Equity Partners Fund II LP (<i>Fund II</i>)	Fund II	14,748,236 ordinary shares
Emeco Holdings Limited	Pacific Equity Partners (Jersey) Limited as General Partner of Pacific Equity Partners Supplementary Fund II LP (<i>Supp Fund II</i>)	Supp Fund II	10,874,072 ordinary shares

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Emeco Holdings Limited	Pacific Equity Partners (Jersey) Limited as General Partner of Pacific Equity Partners Fund II (NQP) LP (<i>NQP</i>)	NQP	707,190 ordinary shares
Emeco Holdings Limited	Pacific Equity Partners Fund II (Australasia) Pty Limited (ACN 106 318 370) as trustee for the Pacific Equity Partners Fund II (Australasia) Unit Trust (<i>Australasia Fund II</i>)	Australasia Fund II	3,162,958 ordinary shares
Emeco Holdings Limited	Pacific Equity Partners Fund II (Australasia) Pty Limited (ACN 106 318 370) as trustee for the Pacific Equity Partners Supplementary Fund II (Australasia) Unit Trust (<i>Australasia Supp Fund II</i>)	Australasia Supp Fund II	1,500,928 ordinary shares
Emeco Holdings Limited	PEP Investment Pty Limited (ACN 083 026 984) (<i>PEP Invest</i>)	PEP Invest	144,422 ordinary shares
Emeco Holdings Limited	PEP Co-Investment Pty Limited (ACN 083 026 859) (<i>PEP Co-Invest</i>)	PEP Co-Invest	112,194 ordinary shares
Emeco Holdings Limited	Archer Capital 3A Pty Limited in its capacity as trustee of the Archer Capital Trust 3A (<i>Archer 3A</i>)	Archer 3A	13,154,000 ordinary shares
Emeco Holdings Limited	Archer Capital 3B Pty Limited in its capacity as trustee of the Archer Capital Trust 3B (<i>Archer 3B</i>)	Archer 3B	13,154,000 ordinary shares
Emeco Holdings Limited	Merlin Investments BVBA (<i>Merlin</i>)	Merlin	4,942,000 ordinary shares
Emeco Holdings Limited	Temasek Holdings Pty Limited ATF LC Freedman Family Trust	Temasek Holdings Pty Limited ATF LC Freedman Family Trust	18,000,000 ordinary shares
Emeco Holdings Limited	David Griffin	David Griffin	7,000,000 ordinary shares
Emeco Holdings Limited	Trevor Sauvarin	Trevor Sauvarin	1,854,002 ordinary shares
Emeco Holdings Limited	Linda Dorothy Sauvarin	Linda Dorothy Sauvarin	4,145,998 ordinary shares
Emeco Holdings Limited	Wayne Malvern	Wayne Malvern	3,000,000 ordinary shares
Emeco Holdings Limited	Gail Malvern	Gail Malvern	3,000,000 ordinary shares
Emeco Holdings Limited	Robin Lindsay Charles Adair ATF the Adair Family Trust	Robin Lindsay Charles Adair ATF the Adair Family Trust	6,000,000 ordinary shares

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Emeco Holdings Limited	Donald Arthur Geoffrey ATF the Jeffrey Family Trust	Donald Arthur Geoffrey ATF the Jeffrey Family Trust	5,500,000 ordinary shares
Emeco Holdings Limited	David Owen Tillbrook ATF the Tillbrook Family Trust	David Owen Tillbrook ATF the Tillbrook Family Trust	5,500,000 ordinary shares
Emeco Holdings Limited	Michael Anthony Turner ATF the Turner Family Trust	Michael Anthony Turner ATF the Turner Family Trust	5,500,000 ordinary shares
Emeco Holdings Limited	Catherine Marie Toson	Catherine Marie Toson	1,092,884 ordinary shares
Emeco Holdings Limited	Rosalie Clark	Rosalie Clark	134,262 ordinary shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the 4 months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
N/A				

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	N/A

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Emeco Holdings Limited	Ground Floor, 10 Ord Street, West Perth, Western Australia 6005

Signature

print name Mike Kirkpatrick

capacity Company Secretary

sign here

M. Kirkpatrick

date 14 / 8 / 06

Annexure A - Emeco Holdings Limited (ACN 112 188 815)

This is Annexure A of 1 page referred to in Form 603 – Notice of initial substantial holder.



Mike Kirkpatrick

Date: 14/8/06

Item 1. Details of relevant interests

Emeco Holdings Limited has a relevant interest in the ordinary shares held by the entities set out at 'Item 4 – Details of present registered holders' (*Entities*) by reason of voluntary escrow arrangements pursuant to which each of the Entities have undertaken to Emeco Holdings Limited not to sell their ordinary shares for the period from first quotation of the shares until the first trading day on Australian Stock Exchange Limited following the public announcement by Emeco Holdings Limited of its preliminary report for the financial year ending 30 June 2007. The form of the arrangement entered into by each of the Entities is attached at Annexure B (*Agreement*). Pursuant to the Agreement, Emeco Holdings Limited controls the exercise of a power to dispose of the ordinary shares held by each of the Entities. The class and number of securities over which Emeco Holdings Limited has a relevant interest is the aggregate of the amounts set out under 'Item 4 – Details of present registered holders', being 123,227,146 ordinary shares.

Annexure B - Emeco Holdings Limited (ACN 112 188 815)

This is Annexure B of 7 pages referred to in Annexure A of Form 603 – Notice of initial substantial holder.



Mike Kirkpatrick

Date: 14/8/06

Voluntary Escrow Deed

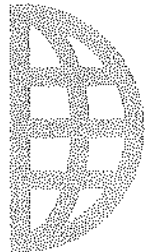
Emeco Holdings Limited

[Insert name of holder]

[Insert name of any controller(s)]

BAKER & MCKENZIE

Solicitors
Level 27, AMP Centre
50 Bridge Street
SYDNEY NSW 2000
Tel: (02) 9225-0200
Fax: (02) 9225-1595
Email: julie.hutton@bakernet.com



Ref: 405756-v1VH7



Contents

Clause Number	Heading	Page
1	Escrow restrictions	1
2	Exceptions to escrow	2
3	Warranties	3
4	Consequences of breaching this deed	3
5	General	3
6	Definitions and interpretation	4
	Schedule	5

Date [Insert date] 2006

Parties **The Party** described in Item 1 of the Schedule (*entity*)

The Party described in Item 2 of the Schedule (*holder*)

The Party described in Item 3 of the Schedule (*controller*)

Recital

The holder voluntarily agrees to hold the restricted securities as set out in this deed.

Operative provisions

1 Escrow restrictions

Holder restrictions

- 1.1 During an escrow period, the holder will not do any of the following:
- (a) dispose of, or agree or offer to dispose of, any restricted securities applicable to that escrow period;
 - (b) create, or agree or offer to create, any Security Interest in the restricted securities applicable to that escrow period;
 - (c) do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the restricted securities applicable to that escrow period; or
 - (d) participate in a return of capital made by the entity,
- except as permitted by clause 2.

Controller restrictions

- 1.2 During an escrow period, a controller will not do any of the following:
- (a) dispose of, or agree or offer to dispose of, the controller interests;
 - (b) create, or agree or offer to create, any Security Interest in the controller interests; or
 - (c) do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the controller interests,
- except as permitted by clause 2.

Perfecting the restrictions

- 1.3 The restricted securities must be kept on the entity's issuer sponsored sub-register. The holder hereby agrees in writing to the application of a holding lock to the restricted securities.

2 Exceptions to escrow

Takeover bids

- 2.1 Notwithstanding clause 1, the holder may accept a takeover bid (as defined in the *Corporations Act 2001* (Cth)) if all of the following conditions are met:
- (a) the offers under the takeover bid are for all of the entity's ordinary shares;
 - (b) holders of at least half of the ordinary shares that are not restricted securities, either under this deed or any other agreement between the entity and one of its shareholders which imposes similar restrictions, to which the offers relate have accepted; and
 - (c) if the offer is conditional, the bidder and the holder agree in writing that a holding lock will be re-applied to each restricted security that is not unconditionally bought by the bidder under the off-market bid.

Scheme of arrangement

- 2.2 Notwithstanding clause 1, the holder's restricted securities may be transferred or cancelled in accordance with a merger by way of scheme of arrangement under Part 5.1 of the *Corporations Act 2001* (Cth) if the holder agrees in writing that a holding lock will be re-applied if the merger does not take effect.

Other exceptions

- 2.3 Notwithstanding clause 1, the holder's restricted securities may be transferred pursuant to:
- (a) an order of a court of competent jurisdiction compelling any restricted securities to be disposed of or a Security Interest granted over them;
 - (b) a transfer by the personal representatives of the holder to whomever such restricted securities have been bequeathed, or to the holder's spouse or any of the holder's infant children provided that the transferee has previously undertaken to the entity by deed in a form acceptable to the entity to be bound by clause 1 in respect of such restricted securities;
 - (c) a transfer by the holder to any controlled entity, provided that the transfer is made off-market and the transferee has previously undertaken to the entity by deed in a form acceptable to the entity to be bound by clause 1 in respect of such restricted securities (including an undertaking that if the transferee ceases to be a controlled entity during an escrow period for any reason, then at the entity's request it will promptly transfer such restricted securities back to the original holder or another controlled entity nominated by the original holder); and
 - (d) action taken with the prior written consent of the entity, such consent not to be unreasonably withheld or delayed, following a representation to the board of the entity by the holder which demonstrates to the board that the action is necessary to alleviate financial hardship.

Release

- 2.4 Notwithstanding clause 1, the holder will be free to undertake the actions referred to in clause 1.1, and the controller will be free to take the actions referred to in clause 1.2, in respect of the restricted securities on or after the expiry of the escrow period.
- 2.5 The Company will take such steps as are reasonable to facilitate the release from escrow referred to in this clause including applying for quotation and facilitating any holding lock to be removed from any such restricted securities when they are released from escrow.

3 Warranties

- 3.1 If only the holder and the entity are parties to this deed, one of the following applies.
- (a) The holder is an individual.
 - (b) The holder has no controller.
- The holder gives this warranty.
- 3.2 If the holder, the entity and any controller are parties to this deed, the holder has the controllers set out in Item 3 of the Schedule with the controller interests identified in Item 5 of the Schedule. The holder and each controller give this warranty.
- 3.3 A breach of any of these warranties is a breach of this deed.

4 Consequences of breaching this deed

- 4.1 If it appears to the entity that the holder or a controller may breach this deed, the entity may take the steps necessary to prevent the breach, or to enforce this deed.
- 4.2 If the holder or a controller breach this deed, each of the following applies:
- (a) the entity may take the steps necessary to enforce this deed, or to rectify the breach; and
 - (b) the entity may refuse to acknowledge, deal with, accept or register any sale, assignment, transfer or conversion of any of the restricted securities. This is in addition to other rights and remedies of the entity.

5 General

Amendment

- 5.1 This deed may not be changed or waived without the written consent of all parties to it.

Waiver

- 5.2 The entity may waive at any time any of the restrictions imposed under clause 1:
- (a) on such terms and conditions; and
 - (b) in respect of such number of restricted securities,

as the entity determines, by written notice to the holder and any controller.

Jurisdiction

5.3 The laws of New South Wales apply to this deed. The parties submit to the jurisdiction of the courts of New South Wales.

6 Definitions and interpretation

Definitions

6.1 In this deed:

ASX means Australian Stock Exchange Limited.

controlled entity means any company, fund or other entity under the full and effective control or for the benefit of the holder or one or more of his or her immediate family members (including his or her spouse).

controller interests means the securities, substantial economic interest or other interests in the restricted securities and each intermediate entity through which that interest occurs, full particulars of which are set out in Item 5 of the Schedule.

escrow period means the period set out in Item 4 of the Schedule.

restricted securities means the securities set out in Item 6 of the Schedule (as appropriately adjusted in accordance with the ASX listing rules for any reorganisation of capital undertaken by the entity):

- (a) less any securities in respect of which a waiver under clause 5.2 is given; and
- (b) less any securities released under clause 2.4.

Security Interest means a mortgage, lien, pledge, charge, hypothecation or other security interest (or an agreement or commitment to create any of them).

Interpretation

6.2 In this deed:

- (a) the singular includes the plural and vice versa;
- (b) a reference to a party includes its successors, personal representative and transferees;
- (c) words and expressions defined in the listing rules of ASX, and not in this deed, have the meanings given to them in the listing rules; and
- (d) every warranty or agreement (express or implied) in which more than one person joins, binds them individually and any combination of them as a group.

Schedule

- 1 Entity's name and address: Emeco Holdings Limited (ACN 112 188 815), 510 Great Eastern Highway, Redcliffe, Western Australia, 6104

- 2 Holder's name and address: *[Insert name of holder]*

- 3 Each controller's name and address: *[Insert name of intermediate and ultimate controllers of holder. If the subscriber is an individual, insert "N/A"]*
(not applicable if holder is an individual):

- 4 Escrow period: *[Insert period]*

- 5 Particulars of controller interests: *[Describe nature of relationship between each controller and the holder – eg, a shareholder of the holder and/or a beneficiary of a trust of which the holder is a trustee etc. If the subscriber is an individual, insert "N/A"]*

- 6 Particulars of restricted securities: *[Insert number]* fully paid ordinary shares in the capital of the entity

Execution

Executed as a deed.

Signed sealed and delivered
by **Emeco Holdings Limited**
by a director and secretary/director:

Signature of secretary/director

Signature of director

Name of secretary/director (please print)

Name of director (please print)

[Insert execution block for the holder and each controller]