

Market Release
4 October 2010

EMECO PROGRESSES EXIT FROM VICTORIAN CIVIL RENTAL BUSINESS

Emeco Holdings Limited (ASX: EHL) today announced the sale of its Victorian civil earthmoving equipment rental business as a going concern. The sale comprises a portion of the business' earthmoving equipment fleet, all consumables, spare part inventories, existing rental contracts and all employees.

The decision to exit this business was flagged at the Company's July strategy briefing as part of a \$60 million capital release across FY11. The sale has realised approximately \$12 million in proceeds with the balance of civil equipment from this business to be disposed of over the course of FY11.

Chief Executive Officer, Keith Gordon said "This marks another positive step forward in our strategy to release capital from underperforming businesses and to refocus on core mining markets. Importantly, this sale has also enabled us to deliver continuity of employment to the employees of the Victorian civil rental business."

"We have now exited our businesses in the USA, Europe and Victoria where we could not see a path to acceptable returns on our invested capital. While there is still further work required to release \$60 million from the disposal of non-core assets from the Victorian Rental, Australian Sales and Australian Parts businesses, we are satisfied with the progress on our strategy to date," Mr Gordon said.

The release of capital from the Victorian rental business further enhances Emeco's balance sheet flexibility and positions it to capture profitable growth opportunities in the future.

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