



ASX Release
27 September 2016

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

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S&P CREDIT RATING DOWNGRADE – RESPONSE TO PRESS SPECULATION

On 26 September 2016, Emeco Holdings Limited (ASX:EHL) noted that Standard & Poor's Ratings Services ('S&P') lowered its credit rating for Emeco from 'CCC-' to 'CC-'.

In response to press speculation, the Company wishes to clarify that this downgrade from S&P is an expected consequence of the recapitalisation and merger transaction announced on 23 September 2016. The S&P downgrade reflects the fact that, should the proposed transaction proceed, Emeco's noteholders will not receive the face value payment currently expected to be paid in March 2019.

Under the transaction, Emeco noteholders' claims will be compromised and extinguished, with noteholders instead receiving their share of ordinary shares in the combined group and new senior secured notes. All claims have been provided for in the compromise.

The Company notes that the transaction has the strong support of noteholders, with the holders of approximately 45% of the notes by value supporting the transaction as signatories to the restructuring support agreement referred to in the Company's announcement on 23 September 2016.

The transaction will result in a combined group with a stronger balance sheet, more capable fleet and greater customer value proposition.

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Investor and Media enquiries:

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About Emeco

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

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