

15 March 2017

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

Emeco receives creditors' scheme court approval

Emeco Holdings Limited (**Emeco**) announces that the Federal Court of Australia (**Court**) has this afternoon approved the Scheme of Arrangement giving effect to the recapitalisation of Emeco and the merger with Andy's and Orionstone (**Transaction**).

The orders of the Court will be lodged with the Australian Securities and Investments Commission on Thursday, 16 March 2017 at which time the Scheme will become legally effective.

The Court's approval of the scheme follows the approval by Emeco creditors and Emeco shareholders at meetings held on Monday 13 March 2017. The Transaction is expected to complete on 31 March 2017, and the rights issue for existing shareholders expected to launch on 21 March 2017 and complete in mid-April 2017.

Mr Ian Testrow, Emeco's Managing Director, commented: "The approval of the scheme by the Federal Court of Australia is a key milestone in achieving the recapitalisation of Emeco and merger with Orionstone and Andy's. This Transaction provides Emeco with a strong platform for future growth, the ability to continue to provide our customers with best-in class equipment solutions and the opportunity to deliver significant shareholder returns over time."

"The Transaction provides Emeco with a more capable and expanded fleet, with the average machine age reduced by around 25 per cent. Combining Orionstone and Andy's expertise and their deep customer relationships in the equipment solutions space increases the depth of Emeco's management team. Our focus now is on executing on our integration plans, which are well advanced and ensuring we maximise our operational cost synergies and capital expenditure savings upon completion.

"Together with the refinancing of the Company's asset backed loan facility, the Transaction provides Emeco with the financial platform to grow the business and become more resilient to market conditions through the cycle. Our priorities are to reduce debt and increase interest coverage, with the new revolving loan facility and senior secured notes maturing in FY20 and FY22, respectively," Mr Testrow said.

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