



Coote Industrial Ltd
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20 April 2010

BANK FACILITIES SIGNED, REJECT RECOMMENDATION AFFIRMED

NEW DEBT FACILITY

Coote Industrial Ltd ("Coote") is pleased to announce that it has executed new debt facility documentation with the Commonwealth Bank of Australia ("CBA").

Coote previously noted in its announcement to the ASX on 5 March 2010 that it had accepted an offer from CBA for the extension of its current facilities to 28 February 2011.

Coote CEO Mike Coote said: "We are pleased to have concluded the negotiation of our new facilities with the CBA. We will now be turning our attention to the timely conclusion of the sale of the South Spur Rail Services business to POTA Holdings Pty Ltd, which will further reduce overall group gearing."

"Although our borrowing costs have increased, the new facilities provide certainty and allow us to get back to growing our core businesses", Mr Coote said. "We also continue to evaluate opportunities for the realisation of value from the Greentrains business."

ELPH TAKEOVER OFFER

Last week, Coote lodged its Target's Statement in response to the conditional, proportional takeover offer by Elph Pty Ltd ("Elph Offer"). The Target's Statement has now been dispatched to all Coote shareholders. Elph subsequently issued a response to the Coote Target's Statement on the ASX on 19 April 2010.

The Directors of Coote maintain their recommendation that Coote Shareholders reject the Elph Offer.

This recommendation is supported by the Independent Expert who has determined that the Elph Offer is not fair and not reasonable, and has valued Coote Shares at 36 cents to 50 cents per Share. This is substantially higher than the Elph Offer of 26 cents per Share for only up to 35% of Shares held by each Coote Shareholder.



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The Directors of Coote note that the Elph Offer is an unsolicited attempt to secure control of Coote at an unfair price. Elph has sought to encourage Coote shareholders to accept its unfair Offer by asserting that some statements in the Target's Statement are "misleading" or "inaccurate". The Coote Board rejects these assertions by Elph in its ASX announcement as baseless and self-serving and stands by the statements made in the Target's Statement.

As at the close business on 19 April 2010, Elph had not disclosed any increase in its holding in Coote under the Elph Offer*.

For further information please contact:

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* Under the takeovers provisions, movements of 1% or more in Elph's holding must be disclosed the following business day.