

## ASX ANNOUNCEMENT

14 February 2011

### Engenco announces \$85.2 million capital raising

Engenco Limited (**Engenco**) is pleased to announce an equity capital raising (**Capital Raising**) to raise gross proceeds of approximately \$85.2 million which was significantly oversubscribed. The Capital Raising will consist of:

- an unconditional placement of 79,801,636 fully paid ordinary shares (**Shares**) at an issue price of \$0.12 per Share to raise approximately \$9.6 million before costs (**Unconditional Placement**);
- a conditional placement, subject to shareholder approval, of 86,001,111 Shares at an issue price of \$0.12 per Share to raise approximately \$10.3 million before costs (**Conditional Placement**); and
- a non-renounceable pro-rata entitlement offer to existing eligible shareholders (**Entitlement Offer**) at an issue price of \$0.12 per Share on the basis of 8 Shares for every 9 Shares (8:9) to raise a further approximately \$65.3 million before costs.

The issue price of \$0.12 per Share under the Capital Raising represents a 36.8% discount to the price of Engenco shares (\$0.19 cents) prior to entering a trading halt while it conducted the Unconditional Placement and the Conditional Placement.

The Unconditional Placement, the Conditional Placement and the Entitlement Offer have been fully underwritten by RBS Morgans Corporate Limited (**RBS Morgans**).

The proceeds of the Capital Raising will be used to repay bank debt, fund rolling stock for lease, pay tax liabilities, provide working capital to fund growth opportunities and to pay the costs of the Capital Raising. Further details of the use of the proceeds of the Capital Raising are contained in Engenco's presentation lodged with the ASX on 10 February 2011.

Elph Pty Ltd, Engenco's largest shareholder, has committed to take up its full entitlement (approximately \$25.2m) under the Entitlement Offer. Elph Pty Ltd did not participate in the Placement.

The Capital Raising was very well supported by existing shareholders and many new institutional shareholders resulting in the Unconditional Placement and Conditional Placement being significantly oversubscribed.

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Engenco shareholders eligible to participate in the Entitlement Offer will shortly receive an offer booklet and a personalised entitlement and acceptance form which will provide further details of how to participate.

Further details relating to the Entitlement Offer, including of the Top-Up Facility, and timetable for the Capital Raising are set out in Annexure A.

The Conditional Placement is subject to obtaining shareholder approval at a meeting to be held on Monday 28 March 2011. **Contacts:**

<p><b>Mr Vince De Santis</b> Managing Director T: +61 (0)8 9251 8000 E: vincent.desantis@engenco.com.au</p>	<p><b>Mr Roland Stampalia</b> Company Secretary T: +61 (0)8 9251 8000 E: roland.stampalia@engenco.com.au</p>
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### Annexure A – Further details and timetable

#### **Entitlement Offer**

The Entitlement Offer is a pro rata non-renounceable rights issue to be offered to eligible Engenco shareholders that meet all of the following criteria ("**Eligible Shareholders**"):

- they are registered as a holder of Engenco shares at 5.00pm (WST) on the Record Date of Wednesday 23 February 2011;
- they have a registered address in Australia or New Zealand;
- they are not in the United States or a US Person or acting for the account or benefit of such persons; and
- they are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

The issue price of \$0.12 per Share under the Capital Raising represents a 36.8% discount to the price of Engenco shares (\$0.19 cents) prior to entering a trading halt while it conducted the Unconditional Placement and the Conditional Placement.

The Entitlement Offer is non-renounceable. This means that Engenco shareholders who do not take up their entitlement to participate in the Entitlement Offer will not be able to transfer or receive any value for those entitlements, and their equity interest in Engenco will be diluted.

Eligible Shareholders as at the record date may choose to accept all or part of their pro rata entitlement or none at all. Eligible Shareholders who take up their entitlement in full may also apply for additional shares in excess of their Entitlement under the Top-Up Facility<sup>1</sup>. Elph Pty Ltd has indicated that it will accept all of its entitlement under the Entitlement Offer but will not participate in the Unconditional Placement or Conditional Placement.

Entitlements of Eligible Shareholders which are not taken up will lapse upon close of the Entitlement Offer.

Eligible Shareholders will shortly receive an offer booklet and a personalised entitlement and acceptance form which will provide further details of how to participate.

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<sup>1</sup> There is no guarantee that additional shares will be available for Eligible Shareholders to take up under the Top-Up Facility in addition to their Entitlement under the Entitlement Offer. RBS Morgans, in consultation with Engenco, reserves the right to satisfy any shortfall by way of the Top-Up Facility or by other means and reserves the right to satisfy applications under the Top-Up Facility at its sole discretion.

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### ***Timetable***

"Ex Date" – Company's shares quoted on an 'ex' basis	<b>Thursday, 17 February 2011</b>
Unconditional Placement shares expected to commence trading	<b>Monday, 21 February 2011</b>
Notice of EGM and Explanatory Memorandum despatched to shareholders	<b>Tuesday, 22 February 2011</b>
Record Date – To identify Company shareholders entitled to participate in the Entitlement Offer	<b>Wednesday, 23 February 2011</b>
Lodgement Date, Despatch of Offer Booklet and Entitlement and Acceptance Form and Opening Date	<b>Thursday, 24 February 2011</b>
Closing Date	<b>Friday, 11 March 2011</b>
Deferred Settlement Commences – shares quoted on a deferred settlement basis	<b>Tuesday, 15 March 2011</b>
Notify ASX of under subscriptions	<b>Thursday, 17 March 2011</b>
Allocation Date – last date on which allocation of Offer Shares occurs	<b>Tuesday, 22 March 2011</b>
Despatch Date – deferred settlement trading ends, security holdings entered	<b>Tuesday, 22 March 2011</b>
Normal trading of new Engenco Shares expected to commence on ASX	<b>Wednesday, 23 March 2011</b>
Extraordinary General Meeting to approve Conditional Placement	<b>Monday, 28 March 2011</b>
Conditional Placement shares expected to commence trading	<b>Wednesday, 30 March 2011</b>

All dates are indicative and subject to change. All material changes will be announced to ASX.

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### Important notice and disclaimer

This announcement is issued by Engenco Limited ABN 99 120 432 144 (**Engenco**). It is information in a summary form and does not purport to be complete. It should be read in conjunction with Engenco's other periodic and continuous disclosure announcements, including Engenco's 2010 Annual Report lodged with the Australian Securities Exchange (**ASX**) on 1 October 2010, Engenco's presentation lodged with the ASX on 10 February 2011, Engenco's half yearly report to 31 December 2010 lodged with the ASX on 11 February 2011 and Engenco's other announcements to the ASX available at [www.asx.com.au](http://www.asx.com.au).

This announcement is not a prospectus or a product disclosure statement under the Corporations Act and has not been lodged with the Australian Securities and Investments Commission (**ASIC**). The Entitlement Offer to which this announcement relates complies with the requirements of section 708AA of the Corporations Act as modified by ASIC Class Order [CO 08/35], and a Cleansing Notice complying with that section has been lodged with ASX.

The information contained in this announcement is for information purposes only and does not constitute an offer to issue or arrange to issue securities or other financial products. The information provided in this announcement is not intended to be relied upon as advice to investors or potential investors and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs. Before making an investment decision, you should consider, with or without the assistance of a financial adviser, whether an investment is appropriate in light of your particular investment needs, objectives and financial circumstances.

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States or to US persons. This presentation does not constitute an offer of securities for sale in the United States or to US persons (as defined in Regulation S under the US Securities Act of 1933) absent registration under the US Securities Act or an exemption from registration.

This announcement may contain forward looking statements concerning projected earnings, revenue, growth, outlook or other matters (**Projections**) for the financial year ending 30 June 2011 or beyond. Any such Projections are based on assumptions which may differ materially from the actual circumstances which may arise. Engenco undertakes no obligation to update any Projections for events or circumstances that occur subsequent to the date of this announcement or to keep current any of the information provided. Past performance is no guarantee of future performance. Any estimates or Projections as to events that may occur in the future are based upon the best judgement of Engenco and there is no guarantee that any of these estimates or Projections will be achieved. Actual results will vary from the Projections and such variations may be material. Engenco has no obligation to tell recipients if it becomes aware of any inaccuracy in or omission from the information in this announcement.

All dollar values are in Australian dollars (A\$) unless otherwise stated.