

## ASX ANNOUNCEMENT

27 June 2012

### Greentrains Refinancing

Engenco Limited (ASX: EGN) advises that its 81% owned subsidiary Greentrains Limited (**Greentrains**) has entered into refinancing arrangements with Elph Pty Ltd on arms' length terms for up to \$30 million maturing not earlier than July 2013.

The main purpose of the arrangements is to repay the existing Commonwealth Bank of Australia facility which is currently drawn to approximately \$19 million, and is intended to provide additional flexibility for Greentrains to access funds for working capital and other purposes. The existing Commonwealth Bank of Australia facility is due to expire in July 2012.

Subject to the loan terms and completion, the arrangements potentially enables Greentrains to access additional funding as well as enabling Greentrains to pay-down Engenco intercompany debt. The arrangements are "stand alone" and secured only by the assets and undertaking of Greentrains and its subsidiary and do not require other Engenco security. In addition, the arrangements may be repaid before maturity at the election of Greentrains without any penalties or break costs. This will provide the company with valuable flexibility while it progresses with its plans to deconsolidate and recapitalise the Greentrains business as it is the company's intention that those plans will contemplate the repayment (or refinancing) of these arrangements before they mature.

Engenco Chief Executive Officer Dennis Quinn said, "We are pleased to have entered into new loan arrangements on this basis. The funding flexibility for each of Greentrains and Engenco is most welcome. We are also pleased to have obtained the ongoing support from Engenco's major shareholder Elph Pty Ltd."

As a consequence of Greentrains and its subsidiary providing security to support the arrangements in favour of Engenco's major shareholder Elph Pty Ltd, ASX has provided a listing rule 10.1 waiver in standard form. The waiver has the effect of permitting the arrangements to be secured, whilst clarifying that in the case of default, Elph Pty Ltd has no ability to itself acquire the Greentrains assets without first complying with the listing rule requirements which includes obtaining shareholder approval.

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### *About Engenco Limited*

Engenco (EGN) specializes in:

- Maintenance, repair and overhaul of heavy duty engines, powertrain and propulsion systems
- Maintenance, repair and overhaul of locomotives
- Manufacture and maintenance of wagons, carriages and associated rail equipment
- Project management, training and workforce provisioning services
- Manufacture and supply of road transport and storage tankers for dry bulk products
- Leasing of locomotives, wagons and other rail equipment

Engenco services a diverse client base across the defense, resources, marine, power generation, rail, heavy industrial, mining and infrastructure sectors. EGN employs around 600 people (excluding contractors) operating from more than twenty locations in seven countries.

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