

14 November 2012

Notice under section 708AA(2)(f) of the Corporations Act

This notice is given by Engenco Limited ABN 99 120 432 144 ("**Engenco**") under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) ("**Act**") as notionally modified by Australian Securities and Investments Commission Class Order [CO 08/35] ("**CO 08/35**").

Engenco today announced a fully underwritten non-renounceable entitlement offer ("**Entitlement Offer**") of 5 fully paid ordinary shares ("**New Shares**") for every 6 shares held by Engenco shareholders who:

- (a) are registered as a holder of Engenco shares at 5.00pm (Melbourne time) on the Record Date of Thursday, 22 November 2012 ("**Record Date**");
- (b) have a registered address in Australia or New Zealand;
- (c) are not in the United States or a US Person or acting for the account or benefit of such persons; and
- (d) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer,

("Eligible Shareholders").

Eligible Shareholders may, in addition to taking up their entitlements in full, apply for additional shares ("**Additional Shares**") in excess of their entitlements at the same price as under the Entitlement Offer. Additional shares will only be available where there is a shortfall between applications received from Eligible Shareholders and the number of new shares proposed to be issued under the Entitlement Offer ("**Top-Up Facility**").

The allocation policy for Additional Shares subscribed pursuant to the Top-Up Facility will be as follows:

- (a) Each Eligible Shareholder who has applied for Additional Shares through the Top-Up Facility will be entitled to receive Additional Shares on a proportionate share of the shortfall having regard to their holdings as at the Record Date, provided that no Eligible Shareholder is permitted to increase its relevant interest to more than 20% of the Shares on issue following the Entitlement Offer, or if already more than 20% then no increase is permitted.
- (b) If any shortfall remains, Elph Pty Ltd (who is not entitled to participate in the Top-up Facility) is to be allocated a priority sub-underwriting of up to 3% of the Shares on issue following the Entitlement Offer.
- (c) If any shortfall remains, it will be allocated to the general sub-underwriters.

An offer document for the Entitlement Offer will be dispatched to shareholders with registered addresses in Australia and New Zealand on or before Monday, 26 November 2012.

In connection with the Entitlement Offer, Engenco confirms that:

- (a) Engenco will offer the New Shares under the Entitlement Offer for issue without disclosure to investors under Part 6D.2 of the Act;
- (b) this notice is given by Engenco under section 708AA(2)(f) of the Act, as modified by CO 08/35;
- (c) as at the date of this notice, Engenco has complied with:
 - (i) the provisions of Chapter 2M of the Act as they apply to Engenco; and
 - (ii) section 674 of the Act;
- (d) as at the date of this notice, there is no excluded information of the type referred to in subsections 708AA(8) and (9) of the Act; and
- (e) the potential effect of the Entitlement Offer on the control of Engenco is as follows:
 - (i) If all Eligible Shareholders take up their entitlements under the Entitlement Offer, then the Entitlement Offer will have no significant effect on the control of Engenco.
 - (ii) If some Eligible Shareholders do not take up all of their entitlements under the Entitlement Offer, then the interests of those Eligible Shareholders in Engenco will be diluted.
 - (iii) The proportional interests of shareholders with registered addresses outside Australia and New Zealand will be diluted because such shareholders are not entitled to participate in the Entitlement Offer.
 - (iv) The Entitlement Offer is fully underwritten by RBS Morgans Corporate Limited (“**RBS Morgans**”).
 - (v) Engenco has been advised by RBS Morgans that the following substantial shareholders have entered into agreements to act as sub-underwriters of some of RBS Morgans' underwriting obligations:
 - i. Elph Pty Ltd (“**Elph**”) in relation to approximately 19.9 million shares (\$4.97 million) of any shortfall (inclusive of Elph's priority sub-underwriting of 3% described above); and
 - ii. Thorney Holdings Pty Ltd (“**Thorney**”) in relation to 4 million shares (\$1.0 million) of general sub-underwriting.

Engenco has also been advised by RBS Morgans that there are firm in relief arrangements in respect of approximately 62.5 million shares (\$15.6 million) and additional sub-underwriting arrangements in relation to approximately 17.6 million shortfall shares (\$4.4 million).

- (vi) As a result of the underwriting and sub-underwriting arrangements described above, if all Eligible Shareholders take up their entitlements under the Entitlement Offer and there is no shortfall under the Entitlement Offer, then neither RBS Morgans (nor any sub-

underwriter) will be issued with Engenco shares under the Entitlement Offer as underwriter or sub-underwriter. However, if there is a shortfall under the Entitlement Offer (including after determination of any applications under the Top-Up Facility), subject to the terms of the underwriting agreement and the sub-underwriting agreements, the sub-underwriters are expected to subscribe for Engenco shares up to a maximum of the shortfall. The issue of Engenco shares to the sub-underwriters will dilute the interests of all other shareholders.

(vii) Elph currently holds 37.6% of the issued capital of Engenco. Elph has indicated that it intends to accept its full entitlement under the Entitlement Offer and will not participate in the Top-Up Facility. The consequences of the potential effect on the control of Engenco at completion of the Entitlement Offer is summarised below.

(viii) The maximum voting power of all known substantial shareholders of Engenco, at the date of this notice (and assuming no change to those shareholdings prior to the close of the Entitlement Offer) both currently and following the Entitlement Offer, is set out in the table below:

Substantial shareholder	Current number of shares over which holder has voting power	Current voting percentage	Maximum possible number of shares over which holder may have voting power	Maximum possible voting percentage
Elph Pty Ltd ¹	46,738,635	37.6%	105,409,478	46.3%
Thorney Holdings Pty Ltd ²	10,058,033	8.1%	22,439,727	9.9%

1) Elph is unable to participate in the Top-Up Offer.

2) The calculation for Thorney's shareholding does not include participation in the Top-Up Offer. This may increase if this shareholder participates in the Top-Up Offer.

Further details regarding the Entitlement Offer are set out in the Investor Presentation given to ASX by Engenco on that date of this notice.

Yours faithfully,



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Company Secretary

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