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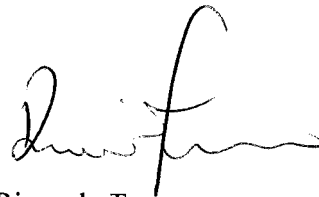
18 December 2012

ASX Limited
Level 4, North Tower, Rialto,
525 Collins Street
Melbourne VIC 3000**Elph's Bidder's Statement**

We attach on behalf of Elph Pty Ltd a copy of the Bidder's Statement in relation to its unconditional off-market takeover bid by Elph at 18 cents per Engenco Limited share in accordance with item 5 of subsection 633(1) of the Corporations Act.

Elph gives notice under subsection 633(4) of the Corporations Act that the Register Date (being the date for determining the people to whom the bidder's statement is to be sent) is 7:00 pm (Melbourne time) on 20 December 2012. However, we confirm that Elph has obtained an ASIC modification to extend Elph's Offer to Engenco shares that are issued during the Offer Period under the current Engenco Entitlement Offer.

Yours faithfully,

Richard Lustig
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Bidder's Statement

Offer by



to acquire all of your Shares in

Engenco Limited

(including any Shares issued to you
under the Entitlement Offer)

at 18 cents per Share in cash

**The Offer is scheduled to close on 28 February
2013 unless extended**

Legal Adviser to Elph

BAKER & MCKENZIE

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO HOW TO ACT, YOU SHOULD CONSULT YOUR FINANCIAL OR LEGAL ADVISER AS SOON AS POSSIBLE.

Important Dates

Offer Announcement	12 December 2012
Bidder's Statement lodged with ASIC	18 December 2012
Date of the Offer	[●] January 2013
Scheduled closing date of the Offer (unless extended)	7.00 pm (Melbourne Time) 28 February 2013

Contents

How to accept the Offer	2
Why you should consider accepting the Offer	3
Detailed reasons why you should consider accepting the Offer	4
Summary of the Offer	6
Section 1 Information about Elph	8
Section 2 Information about Engenco	9
Section 3 Australian Tax Considerations	11
Section 4 Additional Information	13
Glossary	15
Annexure 1 – Offer Terms	17
Annexure 2 – Engenco Announcements	24
Elph Corporate Directory	25

Important Information

The Bidder's Statement is dated 18 December 2012. A copy of the Bidder's Statement was lodged with ASIC on 18 December 2012, but ASIC or any of its officers take no responsibility for the contents of the Bidder's Statement. It includes an Offer dated [●] January 2013 on the terms and conditions set out in Annexure 1.

Defined terms

Terms used in this Bidder's Statement are defined in the Glossary.

Disclosure about forward looking statements

This Bidder's Statement contains certain forward looking statements which have not been based solely on historical facts, but are rather based on Elph's current expectations about future events. These forward looking statements are, however, subject to risks, uncertainties and assumptions which could cause actual events or results to differ materially from the expectations described in such forward looking statements.

Investment decision

You should read all of this Bidder's Statement before deciding whether to accept the Offer. This Bidder's Statement does not take into account the individual investment objectives, financial situation or particular needs of each Shareholder or any other person. You may wish to seek independent financial and taxation advice before making a decision as to whether or not to accept the Offer.

Privacy collection statement

Personal information relating to your shareholding in Engenco will be collected by Elph from Engenco in accordance with its rights under the Corporations Act. Elph will share this information with its advisers and service providers where necessary for the purposes of the Offer. Elph and its agents retained for the purposes of the Offer will use the information solely for purposes relating to the

Offer. Generally you have a right to access the personal information which Elph and its agents may hold about you. You can contact Elph if you have any queries about the privacy practices of Elph.

Information on Engenco

All of the information concerning Engenco contained in this Bidder's Statement has been obtained from publicly available sources including public documents filed by Engenco or information published by Engenco on its website. Neither Elph nor any of its advisers assume any responsibility for the accuracy or completeness of this information. None of the information in this Bidder's Statement relating to Engenco has been verified by Elph's board or independently verified by Elph or its respective directors for the purposes of this Bidder's Statement. Accordingly, subject to the Corporations Act, Elph does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information on Engenco in this Bidder's Statement should not be considered comprehensive. In addition, the Corporations Act requires the directors of Engenco to provide a Target's Statement to Shareholders in response to this Bidder's Statement, setting out certain material information concerning Engenco.

Time

All references to time in this Bidder's Statement are to Melbourne Time.

Further information

If you are in any doubt as to how to deal with the Offer, you should consult your broker or your legal, financial or other professional adviser.



18 December 2012

Dear Fellow Engenco Shareholder

Offer to acquire Engenco Limited

Following an approach from the independent directors of Engenco Limited (**Engenco**), Elph Pty Ltd (**Elph**) is pleased to make an all cash unconditional Offer to acquire all of your Shares in Engenco.

Elph is offering **18 cents** cash for each of your Engenco Shares. The Offer is unconditional and will remain open until 28 February 2013, unless extended. Under the Offer you may sell either all or part of your shareholding in Engenco.

The Offer gives you, including if you do not wish to participate in the current 3 for 2 renounceable entitlement offer at 15 cents per Share (**Entitlement Offer**), an alternative option to exit your investment at a price greater than the price under the Entitlement Offer.

The Offer not only applies to existing Shares, but also extends to all new Engenco Shares which are issued under the Entitlement Offer. This allows you to take up your entitlement at 15 cents per Share under the Entitlement Offer and accept into the Offer at 18 cents per Share if you wish. This applies even if you accept the Offer before Shares are issued to you under the Entitlement Offer.

The full cash consideration provides certainty of value and removes your exposure to the risk associated with continuing to hold Engenco Shares.

Engenco has entered into a Bid Implementation Deed with Elph, a copy of which was annexed to the announcement made to ASX on 12 December 2012.

Your Engenco independent directors have indicated to Elph that they welcome the Offer as providing needed support to the Entitlement Offer. However, your Engenco independent directors have indicated they do not intend to consider making a formal recommendation to Engenco Shareholders regarding the Offer until after Engenco has received the Independent Expert's Report to be included in its Target's Statement in relation to the Offer. Engenco has established an independent board committee in relation to the Offer.

If you accept the Offer, your acceptance will cover all of your Shares including any Shares which are issued to you under the Entitlement Offer. However, your Acceptance Form contains an alternative for you to elect to retain a specified number of Shares following the close of the Entitlement Offer in case you prefer this alternative.

The Offer is unconditional, providing you with certainty as to when you will be paid. If your acceptance of the Offer is received by 31 January 2013 you will be sent your payment by 8 February 2013. If your acceptance of the Offer is received after 31 January 2013 you will be sent your payment within 14 days of your acceptance.

Details of the Offer and the key reasons why you should consider accepting it are set out in this Bidder's Statement. We encourage you to read this document carefully. To accept the Offer for all or part of your Shares, please follow the instructions in this Bidder's Statement and in your enclosed Acceptance Form. The Offer is open for you to accept until 28 February 2013 unless extended.

If you have any questions about the Offer, please call your broker or financial or other professional adviser.

Yours sincerely

Dale Elphinstone
Executive Chairman
Elph Pty Ltd

How to accept the Offer

You can accept the Offer for all or part of your Shares.

You should read this Bidder's Statement carefully before making a decision on whether or not to accept the Offer.

THERE ARE SEVERAL WAYS TO ACCEPT THE OFFER:

For CHESS Holdings of Shares	<p>If your Holder Identification Number begins with an "X", your Shares are in a CHESS Holding.</p> <p>To accept the Offer you must either:</p> <ul style="list-style-type: none">• complete, sign and return your Acceptance Form included with this Bidder's Statement in accordance with the instructions on the form. This will authorise Elph to instruct your Controlling Participant (normally your broker) to accept the Offer on your behalf; or• instruct your Controlling Participant to accept the Offer on your behalf, so your acceptance is received before the Offer closes.
For Issuer Sponsored Holdings of Shares	<p>If your Securityholder Reference Number begins with an "I", your Shares are in an Issuer Sponsored Holding.</p> <p>To accept the Offer you must complete and sign the Acceptance Form enclosed with this Bidder's Statement in accordance with the instructions on the form, and return it to the address indicated on the form so it is received before the Offer closes.</p>

To validly accept the Offer for your Shares, **your acceptance must be received before 7:00 pm (Melbourne Time) on 28 February 2013** unless the Offer Period is extended.

For further details regarding accepting the Offer, see clause 4 of Annexure 1 of this Bidder's Statement.

Please use your enclosed personalised Acceptance Form.

Why you should consider accepting the Offer

1

The Offer is at a 20% premium to the Entitlement Offer price

2

If you no longer wish to be subject to the risks associated with remaining as a Shareholder, you can exit your investment at a certain price

3

The Offer allows you to sell all or part of your shareholding in Engenco, a stock that has relatively low trading liquidity

4

There is no competing offer and any such competing offer is unlikely

Detailed reasons why you should consider accepting the Offer

1. The Offer is at a 20% premium to the Entitlement Offer price

The Offer is at 18 cents per Share. This represents a 20% premium to the issue price of 15 cents under the Entitlement Offer.

The Offer gives you an alternative option to exit your investment at a price greater than the price under the Entitlement Offer.

The Offer not only applies to existing Shares, but also extends to all new Shares which are issued under the Entitlement Offer. This allows you to take up your entitlement at 15 cents per Share under the Entitlement Offer and accept into the Offer at 18 cents per Share if you wish.

2. If you no longer wish to be subject to the risks associated with remaining as a Shareholder, you can exit your investment at a certain price

On 12 December 2012, Engenco reported a significant revised earnings downgrade, with FY13 NPAT forecast to be between negative \$10 million to negative \$12 million. Accepting the Offer will ensure that you are no longer exposed to the risks associated with being an Engenco Shareholder.

If you accept the Offer, you will be paid 18 cents cash for each of your Shares accepted into the Offer. The Offer is unconditional. This provides you with certainty of value for your Shares, notwithstanding the recent substantial earnings downgrade.

In the absence of the Offer, the amount that you may be able to realise for your Shares would be uncertain. The certainty provided by receiving cash should be compared with the risks and uncertainties associated with remaining a Shareholder.

3. The Offer allows you to sell all or part of your shareholding in Engenco, a stock that has relatively low trading liquidity

Engenco Shares have historically had relatively low trading liquidity on ASX. This Offer provides you with an opportunity to dispose of all or part of your Shares in a single transaction for a certain value.

The Offer is unconditional, providing you with certainty as to when you will be paid. If your acceptance of the Offer is received by 31 January 2013 you will be sent your payment by 8 February 2013. If your acceptance of the Offer is received after 31 January 2013 you will be sent your payment within 14 days of your acceptance.

If you do not accept the Offer, and your Shares are not subject to compulsory acquisition by Elph, the market for Shares may become less liquid than at present. In view of Elph's current 37.6% interest in Engenco, Elph is subject to the usual statutory restrictions from purchasing your Shares following the close of the Offer.

If you do not accept the Offer, and your Shares are subject to compulsory acquisition by Elph, you will face a delay in being paid the consideration for your Shares compared with Engenco Shareholders who accepted the Offer during the Offer Period.

4. *There is no competing offer and any such competing offer is unlikely*

The Offer was made by Elph following an approach from the independent directors of Engenco.

Elph is not aware of any other party intending to make an offer for your Shares. In Elph's view, it is unlikely that such an offer will materialise. Elph is Engenco's largest shareholder, with a 37.6% shareholding in Engenco as at the date of this Bidder's Statement.

Engenco has entered into a Bid Implementation Deed with Elph, a copy of which was annexed to the announcement made to ASX on 12 December 2012. It requires Engenco to pay a break fee of \$250,000 to Elph in certain cases including if a Competing Proposal is recommended by an Engenco director not associated with Elph.

Summary of the Offer

Question	Answer	Further information
Who is making the Offer?	The Offer is being made by Elph Pty Ltd. Elph is offering to buy all of your Shares, on the terms set out in Annexure 1 of this Bidder's Statement.	Annexure 1, clauses 1 and 2
What is the Offer price and what happens if I accept the Offer?	The price payable under the Offer is 18 cents per Share in cash. If you accept the Offer you will be paid 18 cents for each of the Shares accepted under the Offer.	Annexure 1, clauses 1 and 2
Are there any conditions to the Offer?	No. The Offer is unconditional. Full details of the Offer Terms are set out in Annexure 1.	Section 4.3
How do I accept the Offer?	To accept the Offer, you must follow the instructions set out in the "How to accept the Offer" section on page 2 of this Bidder's Statement, in your personalised Acceptance Form and in clause 4 of Annexure 1.	How to accept the Offer, Acceptance Form and Annexure 1, clause 4
Does the Offer extend to any Shares issued under the Entitlement Offer?	Yes. The Offer extends to any Shares issued to you under the Entitlement Offer. This applies even if you accept the Offer before Shares are issued to you under the Entitlement Offer.	How to accept the Offer, Acceptance Form and Annexure 1, clause 4
Can I accept the Offer for part of my holding?	Yes, you can accept the Offer for all or part of your Shares. If you accept the Offer, your acceptance will cover all of your Shares including any Shares which are issued under the Entitlement Offer. However, your Acceptance Form contains an alternative for you to elect to retain a specified number of Shares following the close of the Entitlement Offer in case you prefer this alternative.	How to accept the Offer, Acceptance Form and Annexure 1, clause 4
If I accept the Offer when will I be paid?	If your acceptance of the Offer is received by 31 January 2013 you will be sent your payment by 8 February 2013. If your acceptance of the Offer is received after 31 January 2013 you will be sent your payment within 14 days of your acceptance.	Annexure 1, clause 5
When does the Offer close?	The Offer closes at 7:00 pm (Melbourne Time) on 28 February 2013 unless it is extended under the Corporations Act.	Annexure 1, clause 3
Can the Offer Period be extended?	The Offer Period can be extended at Elph's election (subject to the Corporations Act). Any extension will be announced to ASX.	Annexure 1, clause 3

Question	Answer	Further information
<p>Do I have to pay costs or expenses associated with the Offer?</p>	<p>You will not pay stamp duty on the disposal of your Shares to which this Offer applies if you accept the Offer.</p> <p>If your Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Elph, you will not incur brokerage in connection with your acceptance of the Offer. If your Shares are registered in a CHESS Holding, or if you are a beneficial owner whose Shares are registered in the name of a broker, bank, custodian or other nominee, you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transaction fees or service charges in connection with acceptance of the Offer.</p>	<p>Annexure 1, clause 8.3</p>
<p>What are the tax implications if I accept the Offer?</p>	<p>This depends on your personal tax situation. You should consult your financial, taxation or other professional adviser for detailed taxation advice before making a decision as to whether or not to accept the Offer. Section 3 contains a general summary of the major likely Australian tax consequences for Shareholders who accept the Offer.</p>	<p>Section 3</p>
<p>What happens if I do not accept the Offer?</p>	<p>You will remain an Engenco Shareholder and will not receive the consideration offered by Elph. However, if Elph becomes entitled to compulsorily acquire your Shares, it intends to do so. If your Shares are compulsorily acquired, it will be on the same terms (including the same consideration for each Share acquired) as the Offer. However, under compulsory acquisition your consideration must be paid to Engenco as trustee until you claim it following a regulated process and as a consequence you will receive the money later than the Shareholders who choose to accept the Offer.</p>	
<p>Where do I go for further information?</p>	<p>If you are in any doubt as to how to deal with the Offer, you should consult your broker or your legal, financial or other professional adviser.</p>	

Section 1 – Information about Elph

1.1 Background

Elph is a privately held company which is part of the Elphinstone group of companies controlled by Elph's founder and Executive Chairman, Mr Dale Elphinstone. The Elphinstone group has an extensive range of business interests and investments with a particular focus in the engineering, manufacturing, heavy machinery, logistics and resources industries.

As at the date of this Bidder's Statement, Elph holds 37.6% of the issued Share capital of Engenco. The directors of Elph are Dale Elphinstone, Cheryl Elphinstone and Vincent De Santis.

Mr Elphinstone is also Chairman of Engenco, and Mr De Santis is also a non-executive director of Engenco. Engenco has established an independent board committee in relation to the Offer.

1.2 Funding of the Offer

The consideration for the acquisition of the Shares to which this Offer relates will be satisfied by the payment of cash. The maximum amount of cash that may be required to be paid under the Offer if acceptances were received for all Shares on issue (excluding the Shares which Elph already owns and the Shares representing its entitlement under the Entitlement Offer) is approximately \$35 million.

As at the date of this Bidder's Statement, Elph and its parent company Elphinstone Holdings Pty Ltd together have sufficient cash funds available to fund the acquisition under the Offer in addition to the funding which is to be used by Elph to take up its entitlement and sub-underwriting commitments under the Entitlement Offer. The moneys held by Elphinstone Holdings Pty Ltd are readily and unconditionally available to Elph on demand.

1.3 Intentions for Engenco as a part-owned controlled entity

Elph intends to continue the Engenco business in accordance with Engenco's current plans and strategies and does not intend any major changes to Engenco's business including any redeployment of its fixed assets or the future employment of its present employees. In this regard Elph notes Engenco's ASX announcement on 17 December 2012 that 45 redundancies have been made in line with the recent market update and downwards revision to guidance necessary as part of Engenco's cost reduction programme.

Elph does not intend to make any changes to the Engenco Board although any final decision may be influenced by the level of ownership attained following the close of the Offer. It is intended that Engenco will continue to operate its business with input from the two Elph nominee directors on the Engenco board. If Elph obtains an interest in Engenco which is close to 90% or if trading liquidity in Engenco is minimal, Elph may consider seeking to remove Engenco from the official list of ASX.

1.4 Intentions for Engenco as a wholly owned controlled entity

If Elph acquires a 90% or greater interest in Engenco, it is intended that Elph would seek compulsory acquisition of the remaining Shares in accordance with regulatory requirements and to arrange for Engenco to be removed from the official list of ASX. Elph may then also be likely to consider the make-up of the Engenco board.

1.5 Qualifications regarding intentions

The intentions described in sections 1.3 and 1.4 set out Elph's current intentions in relation to Engenco. These intentions have been formed on the basis of facts and information concerning Engenco and the general business environment, which are known at the time of preparing this Bidder's Statement. Final decisions will only be reached by Elph in light of material information and circumstances at the relevant time. Accordingly, the statements set out in this section of the Bidder's Statement are statements of current intention only and may vary as new information becomes available or as circumstances change.

Section 2 – Information about Engenco

2.1 General overview

Engenco listed on the ASX in December 2006 as Coote Industrial Limited. Engenco provides technical sales and services to the resources, rail, transport, defence, maritime and power generation industries. For further information on Engenco, investors should read the ASX announcements made by Engenco. A list of announcements made by Engenco since 27 September 2012 (being the date that the Engenco annual report was most recently lodged with the ASX) before this Bidder's Statement was lodged with ASIC is attached as Annexure 2.

2.2 Engenco businesses

Engenco holds a diversified portfolio of investments with some of the larger investments described below.

- Drivetrain Power and Propulsion – Provider of technical sales and services to the mining, rail, transport, defence, marine, construction, materials handling, automotive, agriculture and power generation industries.
- Convair Engineering – Specialises in the design, manufacture and repair of steel and aluminium pneumatic tankers for transport of dry bulk products via road and rail.
- Centre for Excellence in Rail Training – Registered Training Organisation that provides responsive, flexible and innovative training, assessment and recertification services to the Australian rail industry.
- Momentum – Provider of professional recruitment, labour hire, infrastructure maintenance, training and certification services to the rail and rail infrastructure industries.
- Gemco Rail – specialises in the manufacture of rail products and provision of maintenance services to national rail operators.
- Greentrains – Provider of a range of locomotives and wagons for lease to the Australian rail industry. Elph is the financier to Greentrains.

2.3 Engenco directors

The directors of Engenco are set out below:

- Dale Elphinstone (Non-Executive Chairman)
- Vincent De Santis (Non-Executive Director)
- Donald Hector (Non-Executive Director)
- Ross Dunning AC (Non Executive Director)

The Chief Executive Officer of Engenco is Dennis Quinn.

2.4 Financial overview

For details of Engenco's financial status, please refer to the Engenco 2012 Annual Report as well as Engenco's Presentation released on 12 December 2012, copies of which are available on the ASX website (www.asx.com.au) or on Engenco's website (www.engenco.com.au).

2.5 Engenco's issued securities

Engenco has 124,224,766 Shares on issue as at the date of this Bidder's Statement. Engenco has no other securities on issue. The Offer extends to all new Shares which are issued under the Entitlement Offer (other than those Shares held by Elph) being a further 186,337,149 Shares.

2.6 Substantial Shareholders in Engenco

As at the date of this Bidder's Statement, the following entities had notified Engenco of current substantial shareholdings in Engenco (with the Engenco shareholding and current voting power being calculated on the basis of information which has been disclosed publicly):

Substantial Shareholder	Number of Shares held	Current Voting Power	Maximum Voting Power*
Elph, Elphinstone Holdings Pty Ltd and Dale Brendon Elphinstone	46,738,635	37.6%	43.3%
SG Hiscock & Company Limited	8,695,752	7.0%	8.1%
Thorney Holdings Pty Ltd	10,058,033	8.1%	9.3%

*The maximum voting power column in the table above reflects the percentage disclosed by Engenco on 12 December 2012 as a consequence of sub-underwriting agreements and commitments entered into with substantial shareholders including Elph as part of the Entitlement Offer. These maximum voting power percentages are based on certain assumptions and do not include participation in any top-up under the Entitlement Offer, the Offer, or by way of other acquisitions or disposals. For further details, refer to the cleansing notice lodged by Engenco on 12 December 2012 in connection with the Entitlement Offer available on the ASX website.

2.7 Details of relevant interests in Shares held by Elph

Elph holds a Relevant Interest (and voting power) of 37.62% in Shares as at the date of this Bidder's Statement and [●] % in Shares at the time immediately before the date of the Offer.

2.8 Consideration provided for Shares during the previous 4 months

Neither Elph nor any of its associates has provided, or agreed to provide, consideration for Shares under any purchase or agreement during the period of 4 months before the date of the Bidder's Statement (other than Elph's sub-underwriting agreement and commitment in relation to the Entitlement Offer at 15 cents per Share reflected in the table in section 2.6).

2.9 No inducing benefits given during the previous 4 months

Neither Elph nor any of its associates has, during the period of 4 months before the date of this Bidder's Statement, given, or offered to give or agreed to give, a benefit to another person where the benefit was likely to induce the other person, or an associate, to accept the Offer or dispose of Shares which benefit is not offered to all Shareholders under the Offer.

Section 3 – Australian Tax Considerations

3.1 General

The following is a general summary of the principal Australian tax consequences generally applicable to Shareholders who dispose of their Shares under the Offer for cash consideration. These consequences will depend on the individual circumstances of Shareholders. You should make your own inquiries and seek independent professional advice on your circumstances.

The comments set out below are relevant only to those Shareholders who hold their Shares as capital assets for the purpose of investment and who do not (or would not) hold those Shares in connection with the conduct of a business. Certain Shareholders (such as those engaged in a business of trading or investment, those who acquired their Shares for the purpose of resale at a profit or those which are banks, insurance companies, tax exempt organisations, superannuation funds, or persons who acquired their Shares in the course of their employment with Engenco) will or may be subject to special or different tax consequences peculiar to their circumstances.

The following outline is based upon Australian taxation law and practice in effect as at the date of this Bidder's Statement. It is not intended to be an authoritative or complete statement or analysis of the taxation laws applicable to the particular circumstances of every Shareholder. Shareholders should seek independent professional advice regarding the taxation consequences of disposing of Shares in the light of their own particular circumstances.

3.2 Australian-resident Shareholders

If you accept the Offer, you will be treated as having disposed of your Shares. If you held them on capital account and you dispose of them, such a disposal is likely to constitute a CGT event for CGT purposes. Australian resident Shareholders may make a capital gain or capital loss on the disposal of their Shares under the Offer.

Capital gains and capital losses of a taxpayer in a year of income are aggregated to determine whether there is a net capital gain. If so, that net capital gain is included in assessable income and is subject to income tax. However, a 'CGT Discount' may be available to reduce the taxable gain for certain Shareholders (see further below). Capital losses may be offset only against capital gains realised in the same income year or be carried forward to be offset against future capital gains (not against other income for income tax purposes).

In general, the capital gain or loss on the disposal of a Share under the Offer is the difference between the value of the capital proceeds (i.e. the consideration received from Elph) and the cost base of the Share. The cost base of Shares is generally their cost of acquisition or deemed cost of acquisition. Certain other amounts associated with acquisition and disposal, such as brokerage or stamp duty, may be added to the cost base. The capital loss will be calculated on the basis of the difference between the capital proceeds and the reduced cost base of the Share.

A Shareholder who is an individual, complying superannuation entity or trustee of a trust may be eligible for a 50% 'CGT Discount' if they acquired (or are deemed to have acquired) their Shares 12 months or more before the time they accept the Offer. The CGT Discount is not available to companies, nor does it apply to Shares owned (or deemed to be owned) for less than the relevant 12 month period.

Shareholders should consult their own tax advisers in this regard.

3.3 Non-resident Shareholders

Shareholders who are not resident in Australia for tax purposes should also consider the tax consequences under the laws of their country of residence, as well as under Australian law, of the disposal of Shares under the Offer. Shares held by a Shareholder who is not an Australian resident for tax purposes will be taxable Australian property only if:

- (a) the Shares are an indirect Australian real property interest; or
- (b) the Shares were used at any time by the Shareholder in carrying on a business through a permanent establishment in Australia.

Shares will not constitute an indirect Australian real property interest unless the total market value of Australian real property assets is more than 50% of the total market value of Engenco's assets. Based on publicly available information about the nature and location of Engenco's assets, it is not expected that Shares will constitute an indirect Australian real property interest. Therefore, Shares will only be taxable Australian property if the Shareholder uses (or has used) their Shares in carrying on a business through a permanent establishment in Australia.

3.4 Stamp duty and GST

No stamp duty will be payable by Shareholders on the transfer of Shares to Elph pursuant to the Offer. Shareholders may be charged GST on costs (such as brokerage and advisor fees if any) that relate to their participation in the Offer. Shareholders may be entitled to input tax credits for such costs, but should seek independent advice in relation to their individual circumstances.

Section 4 – Additional Information

4.1 Entitlement Offer

On 12 December 2012, a replacement 3 for 2 renounceable entitlement offer at 15 cents per Share was announced by Engenco, and the Offer extends to all new Shares which are issued under it. For further details about the Entitlement Offer, refer to the announcement made by Engenco on 12 December 2012 available on the ASX website.

4.2 ASIC modification

Elph has applied for and obtained from ASIC a modification of section 617 of the Corporations Act to extend the Offer to Shares that are issued in the period after the Register Date to before the end of the Offer Period due to an issue of Shares by Engenco under the Entitlement Offer. A modification to section 617 of the Corporations Act was necessary because that section provides that the Offer must relate to Shares that exist or will exist as at the Register Date.

The offer by Engenco to participate in the Entitlement Offer closes on 18 January 2013 and Engenco has stated that it is anticipated that Shares under the Entitlement Offer will be issued on 29 January 2013.

4.3 Bid Implementation Deed

Elph and Engenco entered into a Bid Implementation Deed on 12 December 2012 whereby Elph and Engenco have agreed to co-operate with each other in relation to the Offer. A summary of certain key terms of the Bid Implementation Deed is set out below. This summary does not purport to be exhaustive or constitute a definitive statement of the rights and liabilities of the parties under the Bid Implementation Deed. The full terms of the Bid Implementation Deed can be viewed in the ASX announcement made by Elph in connection with the Offer on the Announcement Date.

- During the Offer Period, if a Competing Proposal is put to Engenco then Engenco must promptly inform Elph of that fact, the identity of the person or persons and the key terms of any proposal made by that person.
- Engenco must pay Elph the amount of \$250,000 if a Competing Proposal is announced or put to the independent directors of Engenco and either:
 - (a) at any time during the Offer Period, the proponent of the Competing Proposal acquires voting power or an economic interest in more than 20% of Engenco Shares or acquires or obtains an economic interest in all or a substantial part of the assets or businesses of the Engenco Group; or
 - (b) the Competing Proposal is recommended or promoted by any director of Engenco not associated with Elph.
- Each of Elph and Engenco gives certain customary warranties to each other, including their legal capacity as set out in clause 5 of the Bid Implementation Deed.

4.4 Consents

Baker & McKenzie and Computershare Investor Services Pty Limited have each consented to being named in this Bidder's Statement in the form and context in which their names appear and have not withdrawn their consent prior to lodgement of this Bidder's Statement with ASIC. Each person named above as having given their consent to the inclusion of a statement or to being named in this Bidder's Statement has done so on the basis that each such person:

- does not make, or purport to make, any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based other than, in the case of a person referred to above as having given their consent to the inclusion of a statement, a statement included in this Bidder's Statement with the consent of that person; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Bidder's Statement, other than a reference to their name and, in the case of a person referred to above as having given their consent to the inclusion of a statement, any statement which has been included in this Bidder's Statement with the consent of that person.

4.5 ASIC Class orders

ASIC has published various Class Order instruments providing for modifications and exemptions that apply generally to all persons including Elph in relation to the operation of Chapter 6 of the Corporations Act. Elph has relied on the modification to the Corporations Act set out in those Class Orders to include references to statements by Engenco and other persons in this Bidder's Statement without obtaining their consent, namely those documents specifically referenced as source materials. Elph will make available a copy of these documents or of relevant extracts from them free of charge to Shareholders who request them during the Offer Period. To obtain a copy of these documents or the relevant extracts, Shareholders may contact Elph.

4.6 Date for determining holders

For the purposes of section 633(2) of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) of the Corporations Act for the Offer is the Register Date.

4.7 Other material information

Except as set out elsewhere in this Bidder's Statement, there is no other information that is material to the making of a decision by a Shareholder whether or not to accept an Offer and known to Elph, that has not previously been disclosed to Shareholders.

4.8 Approval of this Bidder's Statement

This Bidder's Statement has been approved by a resolution of the board of Elph.



Signed by Dale Elphinstone
Executive Chairman
Elph Pty Ltd

18 December 2012

Glossary

In this Bidder's Statement the following words have these meanings unless the contrary intention appears or the context otherwise requires:

\$ or dollar	Australian dollars unless otherwise stated and excludes GST
Acceptance Form	The acceptance form which accompanies this Bidder's Statement
Announcement Date	12 December 2012, being the date on which Elph publicly proposed to make the Offer under the Bid
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited or the financial market which it operates, as the context requires
ASX Settlement	ASX Settlement Pty Ltd, the body which administers the CHESS system in Australia
ASX Settlement Operating Rules	The settlement operating rules of ASX Settlement
Bid	Off-market takeover bid to be made by Elph under Chapter 6 of the Corporations Act
Bidder	Elph Pty Ltd
Bidder's Statement	This bidder's statement in respect of the Offer given by Elph under Part 6.5 of Chapter 6 of the Corporations Act
Bid Implementation Deed	The Bid Implementation Deed entered into between Elph and Engenco as announced to ASX on 12 December 2012
Business Day	A day on which banks are open for business in Melbourne, Victoria (other than a Saturday or Sunday)
CGT	Capital gains tax
CHESS	Clearing House Electronic Subregister System established and operated by ASX Settlement for the clearing, settlement, transfer and registration of approved securities
CHESS Holding	A holding of Shares on the CHESS subregister of Engenco
Competing Proposal	<p>Any expression of interest, offer or proposal by any person (other than Elph or its associates):</p> <ul style="list-style-type: none"> (a) to consider or enter into any transaction which, if ultimately completed, will have the result that (i) any person or two or more persons who are associates (other than Elph or its associates) will, or would reasonably be expected to, acquire voting power in 20% or more of Engenco Shares; or (ii) a person (other than Elph or its associates) will, or would reasonably be expected to, acquire control of Engenco, within the meaning of section 50AA of the Corporations Act, including by way of a takeover bid, scheme of arrangement, amalgamation, merger, capital reconstruction, consolidation, shareholder-approved acquisition or issuance, share buy-back or repurchase, reverse takeover, establishment of a new holding entity for Engenco or any other transaction or arrangement with Engenco; (b) to acquire, have a right to acquire or obtain an economic interest in (whether directly or indirectly) all or a substantial part of the assets or business of the Engenco Group; or (c) to form a dual listed company structure, stapled security structure or other form of synthetic merger having the same or substantially the same effect as a takeover bid for, or scheme of arrangement or merger in respect of Engenco.

Controlling Participant	A participant who is designated as the controlling participant in a CHESS Holding in accordance with the ASX Settlement Operating Rules
Corporations Act	Corporations Act 2001 (Cth)
Elph	Elph Pty Ltd
Engenco	Engenco Limited
Engenco Board	The board of directors of Engenco
Engenco Group	Engenco and its Subsidiaries
Entitlement Offer	The 3 for 2 renounceable pro-rata entitlement offer at 15 cents per Share announced by Engenco on 12 December 2012
GST	Goods and Services Tax as defined in A New Tax System (Goods and Services Tax) Act 1999
HIN	Holder Identification Number
Issuer Sponsored Holding	A holding of Shares on the Engenco issuer sponsored subregister
NPAT	Net profit after tax
Offer	The offer by Elph for Shares under this Bidder's Statement
Offer Period	The period during which the Offer remains open for acceptance in accordance with this Bidder's Statement
Offer Terms	The formal terms and conditions of the Offer set out in Annexure 1 of this Bidder's Statement
Register Date	The date set by Elph under section 633(2) of the Corporations Act, being 20 December 2012
Relevant Interest	Has the meaning given to it in sections 608 and 609 of the Corporations Act.
Rights	All accretions and rights attaching to or arising from the Shares after the Announcement Date (including, without limitation, all rights to receive dividends and to receive or subscribe for Shares, stock units, notes or options and all other distributions or entitlements declared, paid or issued by Engenco). To avoid any doubt the definition of Rights does not include any rights under the Entitlement Offer, and is subject to the ability of a Shareholder to elect to retain a specified number of Shares following the close of the Entitlement Offer in case this alternative is preferred.
Shares or Engenco Shares	Fully paid ordinary shares in the capital of Engenco including any shares issued under the Entitlement Offer
Shareholders	Person registered in the register of members of Engenco as a holder of one or more Shares
Share Registry	Computershare Investor Services Pty Limited
SRN	Securityholder reference number
Subsidiary	Has the same meaning as in the Corporations Act and includes a controlled entity of the relevant person

Annexure 1 – Offer Terms

1. Offer

Full offer

- 1.1 Elph offers to acquire all of your Shares together with all Rights attaching to them on the following terms and conditions.
- 1.2 You may accept the Offer for all or part of your Shares.
- 1.3 An Offer in this form and bearing the same date is being made to each person registered as the holder of Shares in the register of Shareholders as at 7.00 pm (Melbourne Time) on the Register Date.
- 1.4 The Offer extends to any Shares that are issued between the Register Date and the end of the Offer Period under the Entitlement Offer.

Offer extends to others

- 1.5 This Offer extends to any person able to give good title to any of your Shares during the Offer Period and has not already accepted an Offer for those Shares (see clause 7).

Acceptance of Offer

- 1.6 By accepting this Offer, you undertake to transfer to Elph not only the Shares to which the Offer relates, but also all Rights attached to the Shares.

Date of Offer

- 1.7 This Offer is dated [●] January 2013.

2. Consideration

- 2.1 Subject to the terms of this Offer, the consideration offered for each of your Shares to which this Offer relates is 18 cents in cash.

3. Offer Period

- 3.1 The Offer will, unless withdrawn, remain open for acceptance during the period commencing on the date of this Offer and ending at 7.00 pm (Melbourne Time) on the later of:
 - (a) 28 February 2013; and
 - (b) any date to which the period of this Offer is extended in accordance with the Corporations Act.

4. How to accept this Offer

General

- 4.1 You may accept the Offer for all or part of your Shares (including to avoid any doubt any Shares which are issued to you under the Entitlement Offer) at any time during the Offer Period. If you accept the Offer, you will be taken to have accepted the Offer for all of your Shares including any Shares which are issued to you under the Entitlement Offer. However, your Acceptance Form contains an alternative for you to elect to retain a specified number of Shares following the close of the Entitlement Offer in case you prefer this alternative.

Acceptance procedure

- 4.2 The acceptance procedure will depend on whether your Shares are in an Issuer Sponsored Holding or a CHESS Holding. If you are in an Issuer Sponsored Holding, you will have a securityholder reference number (SRN) beginning with "I". If you are in a CHESS Holding, you will have a holder identification number (HIN) beginning with "X".

If you hold your Shares in an Issuer Sponsored Holding

- 4.3 If your Shares are held on the Engenco issuer sponsored subregister, then to accept this Offer in respect of those Shares, you must:

- (a) complete and sign the Acceptance Form which accompanies this Bidder's Statement in accordance with the terms of the Offer and the instructions on the Acceptance Form; and
- (b) return the Acceptance Form together with all other documents required by the terms of this Offer and the instructions on the Acceptance Form to the address specified on the Acceptance Form, so that they are received before the end of the Offer Period.

If you hold your Shares in a CHESS Holding

- 4.4 If your Shares are held in a CHESS Holding, then to accept this Offer in respect of those Shares:
- (a) you must comply with the ASX Settlement Operating Rules;
 - (b) if you are the Controlling Participant, you must initiate acceptance of this Offer in accordance with rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period; or
 - (c) if you are not the Controlling Participant, you may either:
 - (i) instruct your Controlling Participant (normally your stock broker), in accordance with the sponsorship agreement between you and the Controlling Participant, to initiate acceptance of this Offer in accordance with rule 14.14 of the ASX Settlement Operating Rules, such initiation to occur before the end of the Offer Period. If you choose to accept the Offer in this way, your Controlling Participant will be obliged by rule 14.14.1 of the ASX Settlement Operating Rules to initiate acceptance within the following timeframes:
 - (A) if you specify a time when or by which this Offer must be accepted, in accordance with those instructions; or
 - (B) otherwise, by End of Day (as defined in the ASX Settlement Operating Rules) on the day that you instruct the Controlling Participant to accept this Offer or, if the Offer Period ends on the day you provide those instructions, before the end of the Offer Period; or
 - (ii) complete, sign and return the Acceptance Form in accordance with the terms of the Offer and the instructions on the Acceptance Form, together with all other documents required by the terms of this Offer and the instructions on the Acceptance Form, to the address specified on the Acceptance Form, so that they can be accepted on your behalf before the end of the Offer Period.

Irrevocable authorisation

- 4.5 By completing, signing and returning the Acceptance Form in respect of Shares in a CHESS Holding you will be deemed to have irrevocably authorised Elph (and any nominee or nominees of Elph) to:
- (a) request your Controlling Participant to initiate acceptance of this Offer in respect of all of (or subject to clause 4.1, part of) such Shares in accordance with rule 14.14 of the ASX Settlement Operating Rules; and
 - (b) give any other instructions concerning those Shares to your Controlling Participant on your behalf under the sponsorship agreement between you and the Controlling Participant.

Shares held in different holdings

- 4.6 If some of your Shares are in different holdings, your acceptance of this Offer may require action under these Offer Terms in relation to the separate portions of your Shares.

Nominee holdings

- 4.7 If your Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee, you should contact that nominee for assistance in accepting this Offer.

Mailing address

4.8 The mailing address for completed Acceptance Forms is as follows:

Computershare Investor Services Pty Limited
GPO Box 52
Melbourne VIC 3001

4.9 A reply paid envelope (for use from within Australia only) is enclosed for your convenience.

Shareholder's risk

4.10 The method chosen to deliver the Acceptance Form and other documents is at your risk.

Acceptance Form

4.11 The Acceptance Form which accompanies this Offer forms part of it. The requirements on the Acceptance Form must be observed in accepting this Offer in respect of your Shares.

Power of attorney, deceased estate

4.12 When accepting this Offer, you should also forward:

- (a) if the Acceptance Form is executed by an attorney, a certified copy of the power of attorney; and
- (b) if the Acceptance Form is executed by the executor of a will or the administrator of the estate of a deceased Shareholder, a certified copy of the relevant grant of probate or letters of administration.

Signing under power of attorney

4.13 If the Acceptance Form is signed under power of attorney, the attorney will be taken to have declared that the attorney has no notice of revocation of the power and is empowered to delegate powers under the power of attorney as contemplated by clause 4.12.

When acceptance is complete

4.14 Acceptance of this Offer will not be complete until the completed Acceptance Form has been received at the address set out in clause 4.8 above and the requirements of this clause 4 have been met, provided that:

- (a) Elph may in its sole discretion waive any or all of those requirements at any time; and
- (b) where such requirements have been complied with in respect of some but not all of your Shares, Elph may, in its sole discretion, deem your acceptance of this Offer complete in respect of those Shares for which the requirements have been complied with but not in respect of the remainder.

5. Payment of consideration

When Consideration is provided

5.1 Subject to clause 5.3 and the Corporations Act, if your acceptance of the Offer is received by 31 January 2013 you will be sent your payment by 8 February 2013. If your acceptance of the Offer is received after 31 January 2013 you will be sent your payment within 14 days of your acceptance.

5.2 Payment of any cash amount to which you are entitled will be made by cheque drawn in Australian currency in your favour. The cheque will be sent to you, at your risk, by ordinary mail (or in the case of Shareholders with addresses outside Australia, by airmail) to your address as shown on the last register provided by Engenco to Elph prior to producing your payment.

Where additional documents are required

5.3 Where the Acceptance Form requires additional documents to be given with your acceptance (such as a power of attorney):

- (a) if the documents are given with your acceptance, Elph will provide the consideration in accordance with clause 5.1;
- (b) if Elph is given the documents after acceptance and before the end of the Offer Period, Elph will provide the consideration by the earlier of one month after Elph is given the documents or 14 days after the end of the Offer Period; and

- (c) if the documents are given after acceptance and after the end of the Offer Period, Elph will provide the consideration within 14 days after Elph is given the documents.

5.4 If you do not provide Elph with any required additional documents within one month after the end of the Offer Period, Elph may, in its sole discretion, rescind the contract resulting from your acceptance of the Offer.

Where Elph is entitled to any Rights

5.5 If Elph becomes entitled to any Rights on acceptance of this Offer, you must give Elph all documents required to give Elph title to those Rights. If you do not give those documents to Elph, or if you have received the benefit of those Rights, Elph will deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by Elph) of those Rights.

Clearances for offshore residents and others

5.6 If, at the time of acceptance of this Offer, any authority or clearance of the Reserve Bank of Australia (whether under the Banking (Foreign Exchange) Regulations 1959 or otherwise), or of the Australian Taxation Office, is required for you to receive any consideration under this Offer or you are resident in or a resident of a place to which, or you are a person to whom, any other law of Australia would make it unlawful for Elph to provide the consideration payable for your Shares, acceptance of this Offer will not create or transfer to you any right (contractual or contingent) to receive the consideration specified in this Offer unless and until all requisite authorities or clearances have been obtained.

6. Effect of acceptance

Effect of acceptance

6.1 Subject to clause 4.1 (including to avoid any doubt any Shares which are issued to you under the Entitlement Offer), by accepting this Offer in accordance with clause 4 (including where the Offer is caused to be accepted in accordance with the ASX Settlement Operating Rules), you will, or will be deemed to have:

- (a) irrevocably authorised Elph to alter the Acceptance Form on your behalf by:
 - (i) inserting correct details of your Shares;
 - (ii) filling in any blanks remaining on the Acceptance Form; and
 - (iii) rectifying any errors in, and omissions from, the Acceptance Form,as may be necessary to make the Acceptance Form an effectual acceptance of this Offer and to enable registration of the transfer of your Shares to Elph;
- (b) accepted this Offer (and any variation of it) and agreed to its terms and conditions, in respect of all of your Shares (together with all Rights attaching to them) notwithstanding any difference between that number and the number of Shares shown in the Acceptance Form;
- (c) agreed to transfer all of your Shares to Elph;
- (d) represented and warranted to Elph as a condition of the contract resulting from your acceptance of the Offer, that at the time of acceptance and at the time of transfer to Elph:
 - (i) you have paid to Engenco all amounts which are due for payment in respect of your Shares;
 - (ii) all of your Shares are fully paid and Elph will acquire good title to your Shares and full beneficial ownership of your Shares free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise and restrictions on transfer of any kind; and
 - (iii) you have full power and capacity to accept this Offer and to sell and transfer the legal and beneficial ownership of your Shares (together with all Rights attaching to them) to Elph;
- (e) with effect from the acceptance of this Offer, appointed Elph and each of its directors, secretaries and other officers from time to time severally as your agent and true and lawful attorney, with power to do all things which you could lawfully do concerning your Shares or in exercise of any right or power derived from the holding of your Shares, including, without limitation, to:
 - (i) attend and vote in respect of your Shares at any meeting of Engenco;

- (ii) appoint a proxy or proxies to attend and vote on your behalf in respect of your Shares at any meeting of Engenco;
- (iii) requisition or join with other holders of Shares in requisitioning or convening (or both) a meeting of Engenco;
- (iv) demand a poll for any vote to be taken at any meeting of Engenco;
- (v) propose or second any resolution to be considered at any meeting of Engenco;
- (vi) receive from Engenco or any other party, and retain, any Share certificates which were held by Engenco, or any other party;
- (vii) sign all documents (including an instrument appointing one of Elph's directors as a proxy in respect of any or all of your Shares) and resolutions relating to your Shares, and generally to exercise all powers and rights which you may have as a Shareholder and perform such actions as may be appropriate in order to vest good title in your Shares (together with all Rights attaching to them) in Elph; and
- (viii) do all things incidental and ancillary to the foregoing,

and to have agreed that in exercising the powers conferred by that power of attorney, the attorney may act in the interests of Elph as the intended registered holder and beneficial holder of your Shares. This appointment is irrevocable and terminates upon registration of a transfer to Elph of your Shares. Elph will indemnify you and keep you indemnified in respect of all costs, expenses and obligations which might be incurred or undertaken as a result of the exercise by an attorney of any powers under this subclause;

- (f) agreed to fully indemnify Elph in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or Securityholder Reference Number or in consequence of the transfer of your Shares to Elph being registered by Engenco without production of your Holder Identification Number or Securityholder Reference Number;
- (g) irrevocably authorised Elph (and any nominee or nominees of Elph) to notify Engenco on your behalf that your place of address for the purpose of serving notices upon you in respect of your Shares is the address as specified in the notification, and that all such notices are to be marked care of Elph and to have directed Engenco to serve all correspondence, payments or notifications in respect of any Rights and other communications and documents whatsoever in respect of those Shares to Elph at that address;
- (h) irrevocably authorised and directed Engenco to pay Elph, or to account to Elph for, all Rights in respect of your Shares, subject, however, to any such Rights being received by Elph being accounted for by Elph to you if this Offer is withdrawn or any contract resulting from your acceptance of this Offer is rescinded or rendered void;
- (i) irrevocably authorised Elph (and any nominee or nominees of Elph) to transfer your Shares to Elph, including by causing a message to be transmitted in accordance with ASX Settlement Operating Rule 14.17.1 (and at a time permitted by ASX Settlement Operating Rule 14.17.1(b)) and transfer your Shares to Elph's Issuer Sponsored Holding or Takeover Transferee Holding (as defined in the ASX Settlement Operating Rules), regardless of whether Elph has at that time paid or provided the consideration due to you under this Offer; and
- (j) agreed to execute all documents, transfers and assurances as may be necessary or desirable to convey your Shares and Rights to Elph.

- 6.2 Elph may at any time deem the receipt of a signed Acceptance Form to be a valid acceptance of this Offer even though there is not compliance with any one or more of the other requirements for acceptance but, if Elph does so, Elph is not obliged to make the consideration available to you until all of the requirements for acceptance have been met.

Continuing representations and warranties

- 6.3 The representations, warranties, undertakings and authorities referred to in clause 6.1 and this clause 6 will (unless otherwise stated) remain in force after you receive the consideration for your Shares and after Elph becomes registered as holder of them.

7. Acceptances by transferees and nominees

Who may accept the Offer

- 7.1 During the Offer Period:
- (a) subject to clause 1.5 any person who is able to give good title to a parcel of your Shares may accept (if they have not already accepted an offer in the form of this Offer for those Shares) as if an offer on terms identical with this Offer has been made to them; and
 - (b) any person who holds one or more parcels of Shares as trustee or nominee, or otherwise on account of another person, may accept as if a separate and distinct offer had been made in relation to:
 - (i) each of those parcels; and
 - (ii) any parcel they hold in their own right.

Holding Shares

- 7.2 A person is taken to hold Shares if the person is registered as the holder of those Shares.

Holding Shares on trust or as a nominee

- 7.3 A person is taken to hold Shares on trust for, as nominee for, or on account of, another person if they:
- (a) are entitled to be registered as the holder of particular Shares; and
 - (b) hold their interest in the Shares on trust for, as nominee for, or on account of, that other person.

Effective acceptance

- 7.4 An acceptance of an offer pursuant to clause 7.1(b) is ineffective unless:
- (a) the person who holds on account of another person, gives Elph a notice stating that the Shares consist of a separate and distinct parcel; and
 - (b) the acceptance specifies the number of Shares in the parcel.

Notice of acceptance

- 7.5 A notice under clause 7.4(a) must be made:
- (a) if it relates to Shares entered on a CHESS subregister – in an electronic form approved by the ASX Settlement Operating Rules; or
 - (b) otherwise – in writing.

Person may accept for two or more parcels

- 7.6 A person may, at the one time, accept for two or more parcels under this clause as if there had been a single offer for a separate parcel consisting of those parcels.

8. Other matters

Notices and other communications

- 8.1 Subject to the Corporations Act, a notice or other communication given by Elph to you in connection with this Offer shall be deemed to be duly given if it is in writing and:
- (a) is delivered to your address as recorded on the register of members of Engenco; or

- (b) is sent by pre-paid ordinary mail, or in the case of an address outside Australia by pre-paid airmail, to you at that address.

Return of documents

8.2 If:

- (a) this Offer is withdrawn after your Acceptance Form has been sent to Elph, but before it has been received; or
- (b) for any other reason Elph does not acquire the Shares to which your Acceptance Form relates,

Elph reserves the right to either destroy or despatch at your risk your Acceptance Form and any other documents forwarded by you, to your address as shown on the Engenco register of members, where such address is inside Australia, pre-paid ordinary post, or, where such address is outside Australia, pre-paid airmail.

Costs and expenses

8.3 All costs and expenses of the preparation, despatch and circulation of the Offer and all stamp duty payable in respect of a transfer of Shares in respect of which Offer are accepted, will be paid by Elph. If you hold your Shares through a bank, broker or nominee which charges transaction fees or service charges in connection with your acceptance of the Offer, Elph will not pay those fees or charges.

Withdrawal

8.4 Elph may withdraw any unaccepted Offer at any time with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

Variation

8.5 Elph may vary this Offer in accordance with the Corporations Act.

Governing Law

8.6 This Offer and any contract that results from your acceptance of this Offer are governed by the laws in force in Victoria.

Annexure 2 – Engenco Announcements

The list below is of Engenco announcements made since the announcement of its 2012 Annual Report until 18 December 2012.

Date	Description of Announcement
17/12/2012	Engenco Redundancies Announced
12/12/2012	Letter to Shareholders
12/12/2012	Elph Pty Ltd Unconditional Cash Offer
12/12/2012	Notice under section 708AA(2)(f) of the Corporations Act
12/12/2012	Appendix 3B
12/12/2012	Investor Presentation December 2012
12/12/2012	Reinstatement to Official Quotation
12/12/2012	Earnings Update, Capital Raising and Takeover Offer
10/12/2012	Update and Cancellation of Entitlement Offer
05/12/2012	Suspension from Official Quotation
03/12/2012	Trading Halt
27/11/2012	Entitlement Offer - Increase in sub-underwriting commitment
26/11/2012	Entitlement Offer Booklet
26/11/2012	Entitlement Offer - Despatch of Offer Booklet
26/11/2012	Entitlement Offer - Notification to Ineligible Shareholders
23/11/2012	Appointment of Additional Company Secretary
14/11/2012	CEO Address to Shareholders
14/11/2012	AGM Presentation
14/11/2012	Chairman's Address to Shareholders
14/11/2012	Results of Meeting
14/11/2012	Appendix 3B
14/11/2012	Notice under section 708AA(2)(f) of the Corporations Act
14/11/2012	Investor Presentation November 2012
14/11/2012	Letter to Shareholders
14/11/2012	Underwritten Non-Renounceable Entitlement Offer
12/11/2012	Trading Halt
16/10/2012	Response to ASX Price & Volume Query
15/10/2012	Notice of Annual General Meeting/Proxy Form

Elph Corporate Directory

Directors

Dale Elphinstone
Cheryl Elphinstone
Vincent De Santis

Company Secretary

Vincent De Santis

Principal and Registered Office

Elph Pty Ltd
141-143 Wilson Street
Burnie TAS 7320

Share Registry

Computershare Investor Services Pty Limited
GPO Box 52
Melbourne VIC 3001

Legal Adviser

Baker & McKenzie
Level 19, 181 William Street
Melbourne VIC 3000

Elph Pty Ltd

ABN 52 070 012 252

000001

000

SAM

MR JOHN SMITH 1

FLAT 123

123 SAMPLE STREET

THE SAMPLE HILL

SAMPLE ESTATE

SAMPLEVILLE VIC 3030



Return your Form:



To Your Controlling Participant:

Return this form directly to your Controlling Participant



By Mail:

Computershare Investor Services Pty Limited
GPO Box 52
MELBOURNE VIC 3001
AUSTRALIA

For all enquiries:



Phone:

(within Australia) 1300 850 505
(outside Australia) 61 3 9415 4000

Transfer and Acceptance Form - Share Offer

CHESS

Your form must be received by the end of the Offer Period.

This is an important document that requires your immediate attention. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

Return your form to your Controlling Participant (normally your stockbroker) and allow enough time for them to initiate acceptance on your behalf in accordance with ASX Settlement Operating Rules.

This form relates to an off-market takeover ("**Offer**") by Elph Pty Ltd ("**Elph**") to acquire all of your Shares in Engenco Limited ("**Engenco**") pursuant to a Bidder's Statement dated 18 December 2012 and any replacements or supplements ("**Bidder's Statement**"). Terms defined in the Bidder's Statement but not in this form have the same meaning as in the Bidder's Statement unless the context requires otherwise.

How to accept the Offer

As your Engenco Shares are in a CHESS holding, you may **contact your controlling participant** directly (normally your stockbroker) with instructions to accept the Offer, if you do this, you will need to sign and return this Transfer and Acceptance Form to your Controlling Participant. If you want the Bidder to contact your Controlling Participant on your behalf, sign and return this form to the address below so that it is received in sufficient time to allow your instruction to be acted upon by the last day of the Offer Period. This will authorise the Bidder to instruct your Controlling Participant to initiate acceptance of the Offer on your behalf.

If you sign and return this Transfer and Acceptance Form, you warrant to the Bidder (and authorise the Bidder to warrant on your behalf) that you have full legal and beneficial ownership of the Engenco Shares to which this Transfer and Acceptance Form relates and that the Bidder will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights.

Step 1: Registration Name

Your consideration will be issued in the names as they appear on the latest copy of the Engenco register, as provided to Elph. The current address recorded is printed above and overleaf. If you have recently bought or sold Engenco Shares or elected to participate in the Entitlement Offer your holding may differ from that shown. If you have already sold all your Engenco Shares, do not complete or return this form.

Step 2: Consideration and Shares

Please read carefully. You will be deemed to have accepted the Offer for ALL of your Shares including any Shares which are issued under the Entitlement Offer unless you complete the specified section overleaf.

Step 3: Signing Instructions

To be effective the Engenco Shareholder must sign this form accordingly to these instructions:

Individual: Where the holding is in one name, the Engenco Shareholder must sign.

Joint Holding: Where the holding is in more than one name, all of the Engenco Shareholders must sign.

Power of Attorney: Please attach a certified photocopy of the Power of Attorney to this form when you return it. If this form is signed under Power of Attorney, the attorney declares that he/she has no notice of the revocation of the Power of Attorney.

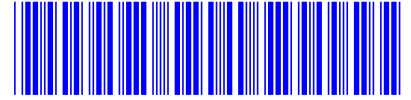
Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person in the box labelled 'Sole Director and Sole Company Secretary'. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone as 'Sole Director'. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to attest to the office held and delete any inappropriate title.

Deceased Estate: All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Entering the contact details of the person you authorise to speak about this holding is not compulsory, but will assist us if we need to contact you.

Turn over to complete the form →

Transfer and Acceptance Form



X 123456789

IND

STEP 1 Registration Name & Shareholder Details

Registration Name: MR JOHN SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Securityholder Details: Subregister:

CHES

Your Engenco Shareholding as at <XX XXX XXXX>:

1234567890

Broker: <Broker Securities Company>

For your security keep your SRN/HIN confidential.

Change of address. Shareholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

STEP 2 Consideration and Shares

The consideration applicable under this Offer is 18 cents cash per Share.

If you complete and return your Acceptance Form, your acceptance will cover all of your Shares including any Shares which are issued under the Entitlement Offer. However, your Acceptance Form contains an alternative for you to elect to retain a specified number of Shares following the close of the Entitlement Offer in case you prefer this alternative.

Optional: Complete only if you do NOT want your acceptance to cover all your Shares:

Accept for all Shares including any Shares which are issued to you under the Entitlement Offer OTHER THAN the following

Shares which are to be RETAINED: (If nothing is inserted in this box then the acceptance will cover all your Shares including any Shares which are issued to you under the Entitlement Offer.)

STEP 3 Signature of Shareholder(s) *This section must be completed.*

I/We accept the Offer made by Elph for Engenco Shares and I/we agree to be bound by the terms and conditions of the Offer and transfer my/our Engenco Shares as per the above instruction.

Individual or Shareholder 1

Director

Shareholder 2

Director/Company Secretary

Shareholder 3

Sole Director and Sole Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date ____ / ____ / ____

Email Address _____

Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited (CIS) as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS using the details provided above or email privacy@computershare.com.au

XXX TKO

XXXXXXXXA

Elph Pty Ltd
ABN 52 070 012 252

000001
000
SAM
MR JOHN SMITH 1
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Return your Form:

✉ **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 52
MELBOURNE VIC 3001
AUSTRALIA

For all enquiries:

☎ **Phone:**
(within Australia) 1300 850 505
(outside Australia) 61 3 9415 4000

Transfer and Acceptance Form - Share Offer

ISSUER

 **Your form must be received by the end of the Offer Period.**

This is an important document that requires your immediate attention. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

This form relates to an off-market takeover ("**Offer**") by Elph Pty Ltd ("**Elph**") to acquire all of your Shares in Engenco Limited ("**Engenco**") pursuant to a Bidder's Statement dated 18 December 2012 and any replacements or supplements ("**Bidder's Statement**"). Terms defined in the Bidder's Statement but not in this form have the same meaning as in the Bidder's Statement unless the context requires otherwise.

How to accept the Offer

As your Engenco Shares are held in an Issuer Sponsored holding, simply complete and return this form to the address above so that it is received no later than 7pm (Melbourne time) on the last day of the Offer Period.

If you sign and return this Acceptance Form, you warrant to the Bidder (and authorise the Bidder to warrant on your behalf) that you have full legal and beneficial ownership of the Engenco Shares to which this Transfer and Acceptance Form relates and that the Bidder will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights.

Step 1: Registration Name

Your consideration will be issued in the names as they appear on the latest copy of the Engenco register, as provided to Elph. The current address recorded is printed above and overleaf. If you have recently bought or sold Engenco Shares or elected to participate in the Entitlement Offer your holding may differ from that shown. If you have already sold all your Engenco Shares, do not complete or return this form.

Step 2: Consideration and Shares

Please read carefully. You will be deemed to have accepted the Offer for ALL of your Shares including any Shares which are issued under the Entitlement Offer unless you complete the specified section overleaf.

Step 3: Signing Instructions

To be effective the Engenco Shareholder must sign this form according to these instructions:

Individual: Where the holding is in one name, the Engenco Shareholder must sign.

Joint Holding: Where the holding is in more than one name, all of the Engenco Shareholders must sign.

Power of Attorney: Please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person in the box labelled 'Sole Director and Sole Company Secretary'. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone as 'Sole Director'. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to attest to the office held and delete any inappropriate title.

Deceased Estate: All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Entering the contact details of the person you authorise to speak about this holding is not compulsory, but will assist us if we need to contact you.

Turn over to complete the form →



Transfer and Acceptance Form

I 123456789

IND

STEP 1 Registration Name & Shareholder Details

For your security keep your SRN/HIN confidential.

Registration Name: MR JOHN SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address.
If incorrect, mark this box and make the correction in the space to the left.

Shareholder Details: Subregister:

Issuer

Your Engenco Shareholding as at <XX XXX XXXX>:

1234567890

STEP 2 Consideration and Shares

The consideration applicable under this Offer is 18 cents cash per Share.

If you complete and return your Acceptance Form, your acceptance will cover all of your Shares including any Shares which are issued under the Entitlement Offer. However, your Acceptance Form contains an alternative for you to elect to retain a specified number of Shares following the close of the Entitlement Offer in case you prefer this alternative.

Optional: Complete only if you do NOT want your acceptance to cover all your Shares:

Accept for all Shares including any Shares which are issued to you under the Entitlement Offer OTHER THAN the following

Shares which are to be RETAINED: (If nothing is inserted in this box then the acceptance will cover all your Shares including any Shares which are issued to you under the Entitlement Offer.)

STEP 3 Signature of Shareholder(s) *This section must be completed.*

I/We accept the Offer made by Elph for Engenco Shares and I/we agree to be bound by the terms and conditions of the Offer and transfer my/our Engenco Shares as per the above instruction.

Individual or Shareholder 1

Director

Shareholder 2

Director/Company Secretary

Shareholder 3

Sole Director and Sole Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date ____ / ____ / ____

Email Address _____

Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited (CIS) as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS using the details provided above or email privacy@computershare.com.au

XXX TKO

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