

ASX ANNOUNCEMENT

8 September 2016

Update on Engenco Financing Arrangements

In announcing its FY2016 results on 26 August 2016, Engenco Limited (ASX:EGN) (**Engenco** or **Company**) advised that the Company had extended the maturity of its \$9 million revolving line of credit facility from Elph Pty Ltd (**Elph**) on 25 August 2016, with the facility now maturing on 30 April 2018.

The Company also advised that it had negotiated with Elph to increase the limit of this facility from \$9 million to \$15 million and had entered into binding agreements with Elph to effect this change, subject to the satisfaction of certain conditions precedent. The Company will utilise part of the enlarged single facility to settle a loan owed to Elph by Engenco subsidiary Greentrains Limited. This loan, which matures on 30 September 2016, is currently supported by a guarantee from the Company and its wholly owned Australian subsidiaries in favour of Elph, which will consequently be extinguished.

As a consequence of the revised funding arrangement, and Engenco and its subsidiaries (other than Greentrains Limited, Greentrains Leasing Pty Ltd, Hedemora Turbo & Diesel AB and Hedemora Investments AB) providing security in favour of Elph to support the funding, ASX has granted 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 a default, neither Elph nor its associates, have the ability to themselves acquire the assets of Engenco or those subsidiaries providing security, without first complying with relevant listing rule requirements which includes obtaining shareholder approval.

Following the granting of the Listing Rule 10.1 waiver, the additional funding limit that was procured under the enlarged facility arrangements with Elph is now available for use by the Company.

The Company anticipates that any funds advanced under the renewed and extended facility will be repaid through expected net positive cash flows to be generated during the term of the facility.

For further information, please contact:

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About Engenco Limited

Engenco (EGN) specialises in:

- Maintenance, repair and overhaul of heavy duty engines, powertrain, propulsion and gas compression 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 wagons and other rail equipment

Engenco services a diverse client base across the defence, resources, marine, power generation, rail, heavy industrial, mining and infrastructure sectors.