

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Mitchell Services Limited

ABN

31 149 206 333

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	Unquoted rights to receive ordinary shares, Unquoted options to purchase ordinary shares, and ordinary shares
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	Rights to receive up to 4,006,335 fully paid ordinary shares (Rights) Options to purchase up to 13,337,370 fully paid ordinary shares (Options) 3,410,515 fully paid ordinary shares (Shares)
3	Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	The Rights are issued on the following terms: (a) the holder is entitled to exercise the Rights to receive fully paid ordinary shares after one month of the date of issue; (b) the fully paid ordinary shares issued to the holder on exercise of the Rights will be held by a trustee subject to the satisfaction of vesting conditions; (c) the Rights will expire on the vesting date as specified in the offer; and (d) the exercise price is nil.

+ See chapter 19 for defined terms.

For personal use only

The Options are issued on the following terms:

- (a) subject to the satisfaction of vesting conditions, each Option entitles the holder to purchase one fully paid ordinary share;
- (b) the Options will expire 7 years after vesting as specified in the offer; and
- (c) the exercise price is \$0.07035 for each Option.

The Shares are fully paid and issued in exchange for 3,410,515 rights which were issued on 4 August 2017. The Shares are held by a trustee subject to the satisfaction of vesting conditions under a long-term incentive plan for senior executives.

4 Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities?

If the additional ⁺securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

Yes, the ordinary shares will rank equally with the existing ordinary shares on issue.

Any shares issued on exercise of the Rights and Options will rank equally with the existing fully paid ordinary shares on issue in Mitchell Services Limited.

The Rights and Options are not quoted securities and do not rank equally with ordinary shares or any other class of quoted securities. Neither the Rights nor Options confers a right to vote, a right to receive dividends, or any other rights of a shareholder.

5 Issue price or consideration

Rights - nil
Options – nil
Shares - \$0.04 per ordinary share

6 Purpose of the issue
(If issued as consideration for the acquisition of assets, clearly identify those assets)

Long term incentive plan for senior executives

6a Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?
If Yes, complete sections 6b – 6h in relation to the ⁺securities the subject of this Appendix 3B, and comply with section 6i

Yes

6b	The date the security holder resolution under rule 7.1A was passed	22 November 2017
6c	Number of +securities issued without security holder approval under rule 7.1	4,006,335 Rights 13,337,370 Options 3,410,515 Shares
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil
6f	Number of +securities issued under an exception in rule 7.2	4,006,335 Rights 13,337,370 Options 3,410,515 Shares
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Not applicable
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Capacity remaining under Listing Rule 7.1 is 260,756,452 Capacity remaining under Listing Rule 7.1A is 173,837,634

+ See chapter 19 for defined terms.

7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	14 June 2018									
8	<p>Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="714 588 990 630">Number</th> <th data-bbox="990 588 1258 630">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="714 630 990 882">1,738,376,346</td> <td data-bbox="990 630 1258 882">Fully paid ordinary shares</td> </tr> </tbody> </table>	Number	+Class	1,738,376,346	Fully paid ordinary shares					
Number	+Class										
1,738,376,346	Fully paid ordinary shares										
9	<p>Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)</p>	<table border="1"> <tbody> <tr> <td data-bbox="714 882 990 1050">16,362,395</td> <td data-bbox="990 882 1258 1050">Unquoted, vested management options with an exercise price of \$0.0395 per option.</td> </tr> <tr> <td data-bbox="714 1050 990 1260">11,353,565</td> <td data-bbox="990 1050 1258 1260">Unquoted management options with an exercise price of \$0.0539 per option, subject to vesting conditions</td> </tr> <tr> <td data-bbox="714 1260 990 1470">13,337,370</td> <td data-bbox="990 1260 1258 1470">Unquoted management options with an exercise price of \$0.07035 per option, subject to vesting conditions</td> </tr> <tr> <td data-bbox="714 1470 990 1659">4,006,335</td> <td data-bbox="990 1470 1258 1659">Unquoted rights to receive ordinary shares subject to vesting conditions.</td> </tr> </tbody> </table>	16,362,395	Unquoted, vested management options with an exercise price of \$0.0395 per option.	11,353,565	Unquoted management options with an exercise price of \$0.0539 per option, subject to vesting conditions	13,337,370	Unquoted management options with an exercise price of \$0.07035 per option, subject to vesting conditions	4,006,335	Unquoted rights to receive ordinary shares subject to vesting conditions.	
16,362,395	Unquoted, vested management options with an exercise price of \$0.0395 per option.										
11,353,565	Unquoted management options with an exercise price of \$0.0539 per option, subject to vesting conditions										
13,337,370	Unquoted management options with an exercise price of \$0.07035 per option, subject to vesting conditions										
4,006,335	Unquoted rights to receive ordinary shares subject to vesting conditions.										
10	<p>Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)</p>	No dividend is payable									

Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the ⁺ securities will be offered	N/A
14	⁺ Class of ⁺ securities to which the offer relates	N/A
15	⁺ Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A

⁺ See chapter 19 for defined terms.

23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Issue date	N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ⁺Securities described in Part 1

(b) All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional ⁺securities

Entities that have ticked box 34(b)

38 Number of ⁺securities for which ⁺quotation is sought

N/A

39 ⁺Class of ⁺securities for which quotation is sought

N/A

⁺ See chapter 19 for defined terms.

40 Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities?

If the additional ⁺securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

N/A

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another ⁺security, clearly identify that other ⁺security)

N/A

	Number	⁺ Class
42 Number and ⁺ class of all ⁺ securities quoted on ASX (including the ⁺ securities in clause 38)	N/A	N/A

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:


.....
(Company Secretary)

Date: 14 June 2018

Print name: Greg Switala

+ See chapter 19 for defined terms.

For personal use only

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	1,476,414,072
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>184,551,759 ordinary shares issued under an Entitlement Offer announced on 15 September 2017.</p> <p>74,000,000 ordinary shares issued on 21 September 2017 and approved by shareholders on 22 November 2017</p> <p>3,410,515 ordinary shares issued on 14 June 2018 the subject of this 3B.</p>
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	1,738,376,346

For personal use only

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	260,756,452
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12-month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“C”	Nil
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	260,756,452
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.15] – “C”	260,756,452 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	1,738,376,346
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	173,837,634
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of *equity securities issued or agreed to be issued in that 12-month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“E”	Nil

Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 <i>Note: number must be same as shown in Step 2</i>	173,837,634
Subtract "E" <i>Note: number must be same as shown in Step 3</i>	Nil
Total ["A" x 0.10] – "E"	173,837,634 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.