



11 April 2016

The Manager
Company Announcements Platform
Australian Stock Exchange Ltd

Arrium & Bluenergy CMC Administrations

Arrium Administration

E&A Limited (ASX: EAL) advises that Arrium has entered Voluntary Administration and appointed Said Jahani, Matthew Byrnes & Paul Billingham of Grant Thornton as Joint and Several Administrators.

E&A Limited Subsidiaries, ICE Engineering & Construction, Heavymech and Ottoway Fabrication are contractors to Arrium Group companies, principally in relation to the OneSteel operations in Whyalla.

The Administrator announced on 7 April 2016 to the ASX, that Arrium will trade on a "Business as usual" basis. This was also confirmed in a letter on the same date to E&A Limited Subsidiaries requesting that "services and goods continue to be provided, or delivered to the Group (Arrium)", and that the Administrator will accept personal responsibility for the payment of goods and services delivered after the date of their appointment.

E&A Limited subsidiaries have trade credit insurance cover in relation to all debts invoiced up to 4 March 2016, the date from which our trade creditor insurer ceased providing cover for Arrium. The value of uninsured cover for the work undertaken from 4 March 2016, is not expected to be material, given that the majority of claims made since that time and the date Arrium went into Administration, relates to a sub contracted components of work which are yet to be delivered to site.

E&A Limited's Managing Director, Stephen Young, confirmed E&A Limited's strong support for the Australian Steel Industry in a presentation to the Senate Economics References Committee Inquiry into the Future of Australia's Steel Industry that met in Whyalla on 5 April 2016. A copy of the E&A Limited Submission is available from the Senate Website:

http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Economics/Australias_Steel_Industry/Submissions

E&A Limited ABN 22 088 588 425

Level 27 91 King William Street Adelaide South Australia 5000 Telephone: (08) 8212 2939
www.ealimited.com.au

In the event Arrium's steel making business in Whyalla (OneSteel) was to close, it would have an impact on E&A Limited's Whyalla based subsidiaries.

Bluenergy CMC Pty Ltd Administration

E&A Limited also advises that Bluenergy CMC Pty Ltd ("BCMC") a customer of wholly owned Subsidiary Ottoway Engineering, entered Voluntary Administration, appointing David Hurt and Kim Strickland of WA Insolvency Solutions as Joint and Several Voluntary Administrators.

Ottoway Engineering issued a Statutory Demand upon BCMC on 22 December 2015 to recover \$1.5m in unpaid and overdue labour hire invoices for work performed at Sino Iron. As a consequence of BCMC failing to respond to this Statutory Demand, Ottoway Engineering issued a petition to wind up BCMC in the Federal Court of Australia. The first hearing was held on 23 March 2016 and a further hearing set for 11 May 2016.

Ottoway Engineering has further amounts owing from BCMC in relation to labour and equipment hire that have since fallen due. Ottoway Engineering is also entitled to an 80 per cent share of a significant delay and disruption claim in relation to work performed by Ottoway Engineering in alliance with BCMC on the Sino Iron project.

During the first meeting of creditors held on 5 April 2016 the Administrator revealed a significant deficiency of net assets and the existence of a number of transactions that appear to be with management related entities in the past six months.

The Administrator has advised that stakeholders associated with BCMC intend to promote a Deed of Company Arrangement (DOCA).

Ottoway Engineering will be unable to estimate the potential for recoveries until such time as the terms of the DOCA are proposed and or the impact of the last six months transactions are assessed.

Managing Director of E&A Limited, Stephen Young has been appointed to Chair the Committee of Creditors to support the recovery of the amounts owing to Ottoway Engineering.

For further information:

Stephen Young

Managing Director

Ph: +61 8 8212 2939