

20 December 2016

ASX Announcement

**UPDATE ON THE ARRIUM GROUP COMPANIES
(ALL SUBJECT TO DEED OF COMPANY ARRANGEMENT)**

Second Meeting of Creditors

On 4 November 2016, at the Second Meetings of Creditors for the Arrium Group Companies, it was resolved by creditors that the Companies should enter individual Deeds of Company Arrangement ('DOCAs'). Following execution of the DOCAs, Mark Mentha, Martin Madden, Cassandra Mathews and Bryan Webster were appointed as Deed Administrators.

Copies of the DOCAs are available on the KordaMentha website at:
<http://kordamentha.com/creditor-information/australia/164/creditors>

Arrium Australia sale and recapitalisation

The Arrium Australia sale and recapitalisation process is progressing. The bidders involved in stage two of the process are undertaking detailed due diligence including reviewing the virtual data-room, attending site visits and participating in management presentations. The sale process will, following a break during the Christmas/New Year period, resume in January 2017. As previously advised, we are working towards completing the sale by 31 March 2017.

The Deed Administrators continue to have a strong preference for offers that will allow the sale of the business in one line as a going concern, with a view to maximising value for all stakeholders.

Sale of Moly-Cop

As advised in our update on 4 November 2016, a sale agreement for the Moly-Cop business has been signed with American Industrial Partners. Completion of the sale is expected to occur in January 2017.

Shareholders

ASIC provides an Insolvency Guide for Shareholders (Information sheet 43) at:
<http://asic.gov.au/regulatory-resources/insolvency/insolvency-information-sheets/>. This document and all other updates to shareholders continue to be located on KordaMentha's website at <http://kordamentha.com/creditor-information/australia/164/shareholders>.

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About KordaMentha

KordaMentha is an advisory and investment firm with prominent Forensic, Real Estate, Turnaround and Restructuring practices. Established by Mark Korda and Mark Mentha in 2002, today the firm employs over 300 specialists across Asia-Pacific with diverse backgrounds including accounting, agriculture, real estate, law enforcement, data analytics, retail, investment banking, restructuring and the C-suite who apply their real world experience, together with rigour and creativity to help clients overcome complex commercial matters.