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ASX Media Release

Ausenco agrees key terms of financing package

Ausenco Limited (ASX: AAX) today agreed the final terms of a US\$16.5 million (\$23.6 million) convertible debt and bonding facilities with Resource Capital Fund VI LP (RCF). As well as being a financing party to Ausenco, RCF is also a shareholder with a 4.5% interest in the Company.

By way of a business update, Ausenco has announced key project wins of \$45 million this year, taking the Company's forward work on hand, including preferred contracts, to \$205 million. However, largely as a consequence of weak oil & gas markets and adverse economic conditions in Brazil and Argentina, the Company expects that attributable profit for the 2015 year will include additional after-tax charges in the range of \$53 to \$62 million related to: (1) redundancies associated with cost reduction programs and office closures; (2) foreign exchange reclassifications associated with closures; (3) income tax losses and withholding taxes derecognised; and (4) a goodwill impairment charge associated with Ausenco's exposure to the oil & gas markets and its' presence in Brazil and Argentina. A more detailed business update follows.

Cornerstone Financing Package

Under the RCF financing package, shareholders will be requested to approve the RCF conversion rights as part of providing Ausenco with a US\$6.5 million (\$9.2 million) unsecured debt facility to 31 December 2018. The facility provides for interest payable quarterly at an interest rate of 10% p.a., where RCF is also able to elect for that interest to be converted to shares. At a conversion price of A\$0.31 per share, the facility also entitles RCF to convert its principal entitlement to 30.3 million shares in Ausenco which would represent an additional 14.0% shareholding in Ausenco.

In conjunction with the financing package RCF, Ausenco and Ausenco's current banks (ANZ and NAB) have entered into a Standstill and Moratorium Agreement extendable to 30 June 2016, upon certain milestones being achieved during that period. During this period the parties will undertake discussions with a view to RCF considering a refinancing of Ausenco's current bank borrowings. In order to facilitate refinancing discussions, the agreement provides for RCF to complete due diligence, for the banks to waive breaches of covenants and for a standstill of actions arising out of loan agreements with the banks.

In addition, to meet the anticipated requirements of a number of new project opportunities, particularly in Canada and Africa, RCF has committed to providing additional bonding facilities of US\$10 million which, upon completion, would take Ausenco's current bonding capacity to \$44 million. Ausenco continues to work with other surety and financing parties in an effort further expand its bonding facilities.

Ausenco CEO Zimi Meka said this financing package represents a significant milestone in strengthening Ausenco's balance sheet. It is positive step forward with a key shareholder and it provides many strategic benefits to Ausenco.

“The RCF relationship also complements the cornerstone shareholding and strategic project alliance with Duro Felguera S.A. (DF), as we continue to pursue a number of EPC opportunities with DF in the resources sector.

“Resource Capital Funds is a significant participant in the resources private equity market. It has a deep understanding of resource market dynamics and a global resource presence which complements that of Ausenco.

“Financially 2015 has been another challenging year, as evidenced by additional non-cash charges taken against earnings. However, importantly, over the last six months we have been working on the conversion or extension of a number of significant opportunities, particularly in the gold and copper sectors, and anticipate that securing these through 2016 will improve forward earnings.

Extraordinary General Meeting

Ausenco will be calling an Extraordinary General Meeting of shareholders by 31 March 2016 in order to ratify and approve the following:

1. The ratification of the placement in August 2015 of 17.8 million shares to Duro Felguera (DF) at an issue price of \$0.60 per share, raising \$10.7 million,
2. The approval of the issue of shares arising from the conversion rights under the US\$6.5 million unsecured convertible debt facility to RCF, being the principal amount of US\$6.5 million and any interest and fees payable elected by RCF to be converted to shares, and
3. The approval of the terms of the 2016 Performance Rights Plan, as part of Ausenco’s Long Term Incentive Plan to retain and incentivise senior management.

Further details of the terms of the RCF convertible facility and EGM resolutions will be provided to shareholders in due course.

Business update

Revenues for 2015 are expected to be between \$245 and \$255 million, with projections of 2016 revenues between \$280 and \$300 million based on the successful conversion of a number of current project pursuits. Lower than expected second half revenues has contributed to an unaudited 2015 underlying EBITDA loss of around \$13 million. Current work on hand, including preferred contractor status awards, is \$205 million.

Mr Meka said “Our studies, consulting and engineering services continue to be in good demand. We have a focus on building this source of revenue from its already strong base. Growth in the range of and demand for our asset optimisation offerings, and assignments with significant new clients last year, provide a positive platform for growth in this technology-based product area.

“In addition, we are also seeing an increasing number of capital expenditure programs in our emerging and major client base. As we have extensive and long term experience in developing gold and base metal projects, we have been particularly excited about the dynamics of the gold sector that have clients and their financiers advancing a number of new projects and studies to the next stage of development.

“Against this background, the Board has been evaluating options to unlock shareholder value and deliver a return to growth.

“We consider technology, combined with innovative engineering solutions, to be an important platform for this growth.

“By way of example, in its global asset optimisation business, Ausenco has a leading edge technology solution software suite that is key to identifying value improvement opportunities for clients. The software suite has had a significant take-up by clients with operations in the resources and energy sectors and we envisage great growth potential for this product. It can be delivered globally into a wide range of industrial, manufacturing, logistical and service businesses in addition to the resources and energy

sectors. We currently generate in excess of \$16 million of annual revenues from this product area and are evaluating alternative financing, alliancing and marketing arrangements to enable us to increase our marketing and development efforts in this arena.

Diversity remains a key platform for Ausenco's long term strategy. It provides Ausenco with significant cross selling benefits and a presence in markets into which it can deliver its full global capabilities. This platform and its associated infrastructure are unrivalled among our peers and we continue to pursue strategies to unlock greater value for shareholders from this attribute.

Within this framework Ausenco has taken many opportunities to streamline its corporate structure, close underperforming offices and contain controllable costs within a challenging and volatile market.

Over the past year we have seen significant declines in near term market opportunities in the oil & gas market and in the Brazilian and Argentinean economies. Amongst others, these circumstances have contributed to Ausenco taking a number of additional charges (largely non-cash) against earnings for the 2015 year as summarised below.

Additional charges to be recognised in 2015 full year (A\$m)	EBIT effect	Attributable profit effect
Redundancies and office closures	10 to 11	8 to 9
Foreign exchange reclassifications from closures ¹	6 to 8	6 to 8
Goodwill impairments ²	30 to 35	25 to 28
Income tax losses and withholding taxes derecognised ³	-	14 to 17
Total charges	46 to 54	53 to 62

¹ Foreign exchange charges to the profit and loss (P&L) arise from reclassifications of prior year foreign exchange movements from the Foreign Currency Translation Reserve (FCTR) due to the abandonment of specific foreign operations. These reclassifications have no impact on Ausenco's net asset balances.

² The carrying values of Ausenco's North American business goodwill balances have been impaired due to declines in the oil & gas market. The carrying values of Ausenco's South American business goodwill balances have been impaired due to adverse conditions in the Brazilian and Argentinean economies.

³ Income tax losses which could be utilised against projected future earnings have not been recognised on the basis that this utilisation will not occur within the next five years. Unexpired tax losses that remain available are able to be recognised as tax benefits of up to \$26 million as forward earnings projections increase.

ENDS

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About Ausenco

Ausenco is a global, diversified engineering, construction and project management company providing services in Minerals & Metals, Process Infrastructure, Environment & Sustainability and Oil & Gas. We deliver new and better ways to add value to our clients' projects no matter how demanding and we deliver results in some of the world's most challenging environments. Listed on the ASX in 2006, our growth strategy is focused on sector, solution and geographic expansion. We operate from 30 offices in 18 countries.

About RCF

Resource Capital Fund ("RCF" or the "Funds") are private equity funds with mandates to make investments exclusively in the mining sector across a diversified range of hard mineral commodities and geographic regions. The Funds are managed by RCF Management L.L.C. which has its principal office in Denver and additional offices in Perth, New York (Long Island) and Toronto. RCF pioneered the concept of mining-focused private equity funds and strives to produce superior returns to all shareholders. Since inception, RCF has supported 137 mining companies (and several mining-services companies) involving projects located in 44 countries and relating to 29 commodities.

RCF is currently investing its sixth fund, Resource Capital Fund VI L.P., with committed capital of US\$2.04 billion, and manages three other active private equity funds, Resource Capital Fund V L.P., Resource Capital Fund IV L.P. and Resource Capital Fund III L.P. The Funds' committed capital is sourced primarily from US-based institutional investors. Further information about Resource Capital Funds can be found on its website www.resourcecapitalfunds.com.

RCF has experience in building management teams specifically suited to develop and or operate assets and has the resources and networks to draw upon to source top talent from around the world. In addition to providing financing, RCF has the in-house technical and financial expertise to actively guide a mining company's management team through the process of raising capital in the public equity and project financing markets. RCF's management team consists of individuals with extensive commercial and technical experience in the mining industry.