



ASX Announcement

Wednesday 16 April 2014

### New Working Capital Facility

SubZero Group Limited (ASX Code: SZG) is pleased to announce that it has signed loan documentation to replace its former debtor financing facility with a new working capital facility. The facility is provided by a syndicate of lenders led by Macquarie Bank Limited. Funding will become available upon satisfaction of a number of conditions precedent.

The new working capital facility provides SubZero with a more flexible financing facility which will support SubZero's current and future business requirements. The \$16 million working capital facility expires on 31 December 2016. The new facility will provide SubZero with lower funding costs and additional capacity to manage the business for future growth.

Covenants for the new facility are stepped over the life of the loan with the net leverage debt ratio from December 2014 to be 2.5 times EBITDA and interest cover of 1.3 times EBITDA. As part of the arrangements, Macquarie Bank has taken options over 15 million issued shares. These shares have been provided by Subzero Services Pty Limited, a private company controlled by Scott Farrell.

Scott Farrell stated: "The placement of this facility is an important step in SubZero's evolution. It provides SubZero with the ability be proactive in managing its working capital in order to support its business and growth aspirations. We are excited in being able to get support for our plans with a financier of Macquarie's standing."

In recent months SubZero has been successful in rolling over a number of long-term contracts with its customers and has commenced production activities with a new customer. With these contracts in place the company is maintaining its FY14 guidance with a bias to the lower end of the range subject to workflows from customers over the last quarter.

For more information contact:

**Scott Farrell**

Managing Director

M: +61 438 251 699

E: [sfarrell@subzeroservices.com.au](mailto:sfarrell@subzeroservices.com.au)

**Robert Lojszczyk**

Chief Financial Officer

M: +61 418 362 283

E: [rlojszczyk@subzeroservices.com.au](mailto:rlojszczyk@subzeroservices.com.au)

**About SubZero Group Limited**

The SubZero Group carries on an established mining service business based in the Hunter Valley, New South Wales. Its clients are almost exclusively involved in the Hunter Valley thermal coal mining industry. SubZero Group's services include Mechanical Support (on and off-site mining machinery support), Structural Support (on and off-site engineering support) and Production Support (mining production support). SubZero has a presence in over 25 coal mines and over 90 clients including Rio Tinto, BHP Billiton and Xstrata. Further information can be found at the SubZero website: <http://subzeroservices.com.au/>