

ASX & Media Release

24 March 2014

Service Stream – Rights Issue Offer Prospectus

Attached is a copy of the Rights Issue Offer Prospectus that was lodged with ASIC today. This follows approval of the Capital Raising at the Extraordinary General Meeting of shareholders on 19 March 2014.

The Rights Issue is a fully underwritten offer of 59.4 million New Shares to Eligible Shareholders on a two-for-eleven basis at an Offer Price of \$0.18 per share to raise \$10.7 million (before costs).

The key dates for the Offer are as follows:

Record Date for the Offer	Tuesday, 1 April 2014
Dispatch Offer documents to Eligible Shareholders	Thursday, 3 April 2014
Offer opens	Thursday, 3 April 2014
Offer closes	Thursday, 17 April 2014
Shortfall announced to ASX	Thursday, 24 April 2014
Issue of New Shares under Rights Issue	Wednesday, 30 April 2014
New Shares commence trading on ASX	Thursday, 1 May 2014

For further details contact:

Service Stream Limited
Terry Sinclair, Managing Director
Tel: +61 3 9677 8817

Service Stream Limited
Bob Grant, Chief Financial Officer
Tel: +61 3 9677 8817

About Service Stream Limited:

Service Stream is a public company listed on the Australian Securities Exchange (Code: SSM) with annual revenue in excess of \$500 million. The Service Stream Group is a provider of essential network services to the telecommunications, energy and water industries. Service Stream operates out of more than 25 locations nationwide and maintains a workforce of more than 3,000 employees and contractors. For more information please visit www.servicestream.com.au.

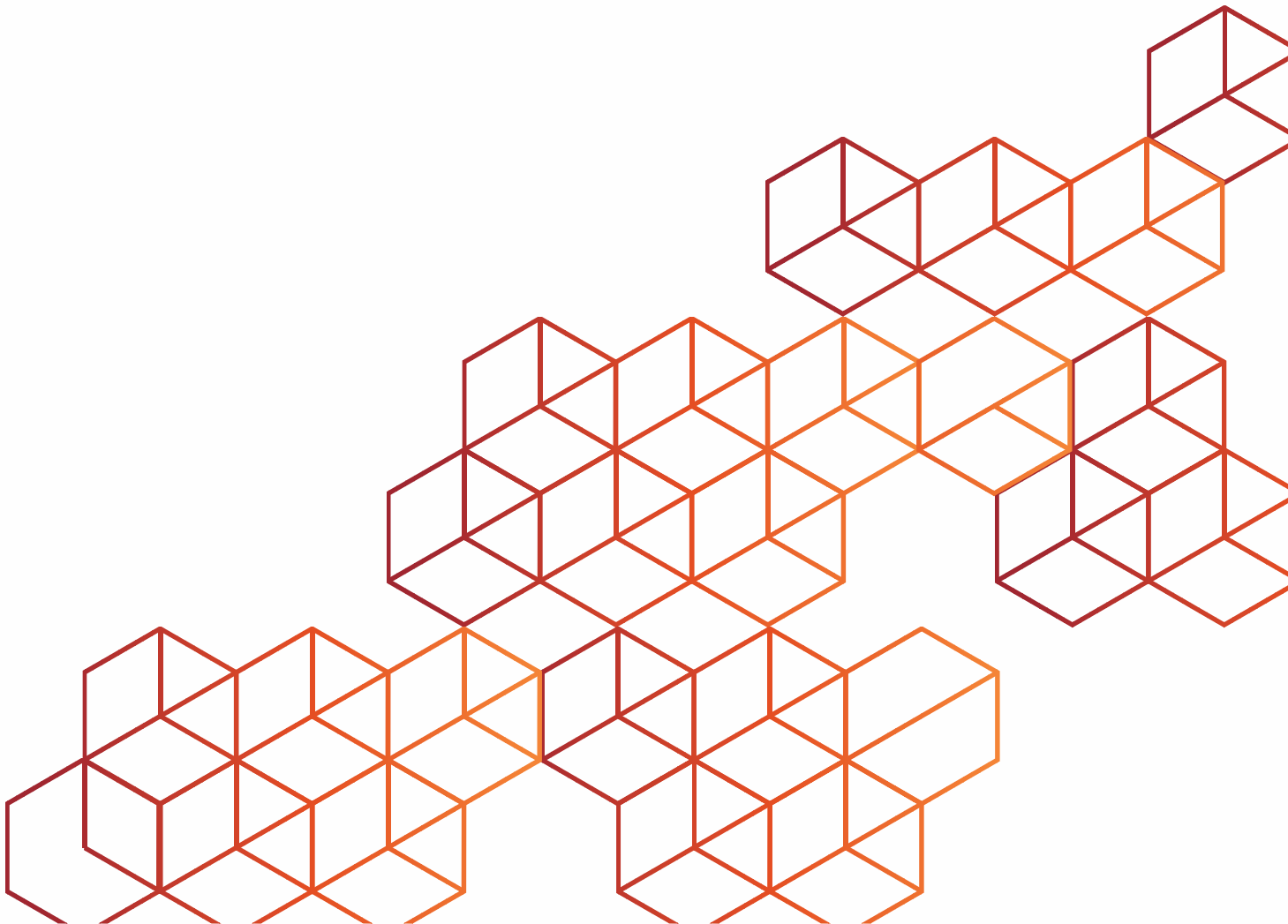
SERVICE STREAM LIMITED

ACN 072 369 870



Rights Issue Offer

PROSPECTUS



Important notices

Offer

The Offer contained in this Prospectus is an invitation to Eligible Shareholders to acquire fully paid ordinary shares in Service Stream, on the basis of an Entitlement comprising two New Shares for every eleven Shares held on the Record Date at an Offer Price of \$0.18 per New Share, to raise \$10.7 million (before costs).

Lodgement

This Prospectus is dated 24 March 2014 and was lodged with ASIC on that date. ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. Service Stream will apply to ASX for quotation of the New Shares on ASX within seven days after the date of this Prospectus. No New Shares will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

Transaction specific Prospectus

This Prospectus is a 'transaction specific' prospectus to which the special content rules under Section 713 of the Corporations Act apply. This allows the issue of a concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus.

This Prospectus contains information which it is reasonable for investors and their professional advisers to expect. It does not include all of the information that would be included for an initial public offering of securities.

ASX maintains a database of publicly available information issued by the Company as a disclosing entity.

Notes to Applicants

The Offer contained in this Prospectus does not take into account the investment objectives, financial position and particular needs of individual investors.

It is important that you read this Prospectus carefully and in full before deciding to apply for New Shares. In particular, you should consider the risk factors that could affect the financial performance of Service Stream in light of your personal circumstances and seek professional advice from your accountant, tax adviser, stockbroker, lawyer or other professional adviser before deciding to invest.

No person (whether named in this Prospectus or otherwise) guarantees the performance of Service Stream, the repayment of capital or the payment of a return on the Shares.

No person is authorised to provide any information or make any representation in connection with the Offer that is not contained in this Prospectus.

Placement

This Prospectus is lodged with ASIC on or after the day on which Shares are issued under the Placement but before any offer for sale of Shares issued under the Placement, in accordance with Section 708A(11) of the Corporations Act.

No offering where offering would be illegal

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the New Shares or the Offer, or to otherwise permit a public offering of New Shares, in any jurisdiction outside Australia. The distribution of this Prospectus outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Electronic Prospectus

Eligible Shareholders can obtain a copy of this Prospectus during the Offer Period on the Company's website at www.servicestream.com.au. If you access an electronic copy of this Prospectus, you should read the entire Prospectus.

The electronic copy of this Prospectus will not include a personalised Entitlement and Acceptance Form. Eligible Shareholders will only be able to accept the Offer by completing the personalised Entitlement and Acceptance Form which accompanies this Prospectus or by making payment using BPAY® (refer to Section 5 for further information).

Do not rely on forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as "may", "could", "believes", "estimates", "expects", "intends" and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, at the date of this Prospectus, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of Service Stream. The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. Forward looking statements should be read in conjunction with the risk factors set out in Section 4 of this Prospectus.

Financial amounts

Money as expressed in this Prospectus is in Australian dollars.

Rounding

Amounts expressed in millions have been rounded to one or two decimal places as relevant. Numbers of Shares expressed in millions have been rounded to one decimal place. Percentages have been rounded to the nearest 0.1%.

Glossary

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary in Section 7.

Privacy

Please read the privacy information set out in Section 6.16. By submitting an Entitlement and Acceptance Form, you consent to the matters outlined in that section.

Enquiries

If you have any questions, please call Computershare Investor Services Pty Ltd on either 1300 850 505 (within Australia) or +61 3 9415 5000 (outside Australia) at any time between 9.00am and 5.30pm (Melbourne time), Monday to Friday, until the Closing Date. Alternatively, please contact your broker, accountant or other professional adviser.

Contents

Important notices	2
Contents	4
Key information	5
Chairman's letter	6
1 Investment overview	9
2 Purpose and effect of the Offer	13
3 Financial information	17
4 Risk factors	19
5 Offer details and how to apply	21
6 Additional information	24
7 Glossary	32
8 Corporate Directory	35

Key information

Key dates

Prospectus Lodgement Date	Monday 24 March 2014
Record Date for the Offer	Tuesday, 1 April 2014
Dispatch Offer documents to Eligible Shareholders	Thursday, 3 April 2014
Offer opens	Thursday, 3 April 2014
Offer closes	Thursday, 17 April 2014
Shortfall announced to ASX	Thursday, 24 April 2014
Issue of New Shares under Rights Issue	Wednesday, 30 April 2014
New Shares commence trading on ASX	Thursday, 1 May 2014

This timetable is indicative only and Eligible Shareholders are encouraged to submit their Applications as early as possible. The Company, in consultation with Wilson HTM, has the right to close the Offer early or extend the Closing Date, to accept late Applications, or vary any other date without prior notice.

Key Offer statistics

The Offer	This is a fully underwritten offer of 59.4 million New Shares to Eligible Shareholders. Two New Shares are offered for every eleven Shares held on the Record Date, at the Offer Price.
Offer Price	The Offer Price is \$0.18 per New Share payable in full on lodgement of your Application.
Amount to be raised	The Offer is expected to raise \$10.7 million (before costs).
Capital structure of the Company	<p>At the date of this Prospectus the Company has 326.9 million Shares on issue. The Company has no partly paid shares, listed or unlisted options or warrants on issue.</p> <p>In addition, 3.3 million performance rights issued under the FY12 and FY13 tranches of the Company's Long Term Incentive Plan remain open and subject to vesting criteria.</p>

Chairman's letter

Dear Shareholder,

At an extraordinary general meeting held on Wednesday, 19 March 2014, Shareholders approved two separate components of a fully underwritten Capital Raising of \$20.05 million:

- a. a *Share Placement* to certain sophisticated and professional investors; and
- b. a *non-renounceable Rights Issue* to shareholders with an Australian or New Zealand registered address on the record date of 1 April 2014.

The Placement component of the Capital Raising was completed on 24 March 2014.

I am pleased to provide you with this Prospectus setting out the Offer for shares under the Rights Issue component of the Capital Raising. The Offer is expected to complete on 30 April 2014.

Service Stream will use the proceeds of the Capital Raising to accelerate the Company's return to a more sustainable financial position, with lower levels of net debt. Importantly, this will provide additional flexibility for the Company to pursue growth opportunities.

Background

Service Stream operates in a number of markets with growth opportunities, and is keen to explore those opportunities.

As part of the overall Capital Raising, the Board reached the conclusion that undertaking this Rights Issue would be advantageous to the Company as it:

- strengthens the Company's balance sheet;
- lowers the Company's debt;
- improves the Company's working capital position; and
- enables the Company to explore new growth opportunities.

While the details of the Rights Issue are set out more fully in this Prospectus, I have outlined below some of the highlights of this Offer and of the overall Capital Raising.

High level summary of the Capital Raising

The \$9.35 million share Placement has closed and settled. Under the Placement, which was fully underwritten by Wilson HTM, Thorney International, which was an existing substantial shareholder in the Company, was issued \$2.0 million worth of Shares, Thorney Opportunities (an ASX listed investment company) was issued \$6.0 million worth of Shares, and certain other sophisticated and professional investors (clients of Wilson HTM) were issued Shares for the balance of \$1.35 million.

Shares under the Placement were issued at \$0.22 per Share, which represented an 11.8% premium to the volume weighted average price (VWAP) for the prior 30 trading days of \$0.197 per Share, calculated on the date the Capital Raising was announced, 24 January 2014.

The Rights Issue (the Offer which is the subject of this Prospectus) is being underwritten by Wilson HTM, and sub-underwritten by Thorney International (as to \$1.6 million) and Thorney Opportunities (as to \$4.9 million), and certain other sophisticated investors. The Shares issued under the Placement are entitled to participate in the Rights Issue.

The Rights Issue is non-renounceable, made on a two for eleven basis, will raise \$10.7 million and is being offered at \$0.18 per New Share. This represents an 8.6% discount to the 30 day VWAP of \$0.197 per Share (calculated on the date the Capital Raising was announced). Thorney International (holding 20.1% of the Company at the time of the Offer) and Thorney Opportunities (holding 8.3%) have agreed to apply for their full Entitlement.

Shareholders may apply for Shares in addition to their full Entitlement under the Offer. Thorney International and Thorney Opportunities will not apply for New Shares in addition to their Entitlement (but may receive further Shares under the sub-underwriting arrangements).

Any shortfall under the Offer will first be satisfied by allocations made by the Board at its discretion pursuant to any such over-subscriptions, and then under the underwriting and sub-underwriting arrangements.

Each of Thorney International and Thorney Opportunities has agreed to sub-underwrite the Offer. Depending on the level of take up of the Offer (including over subscriptions), Thorney International will hold between 20.1% and 22.4%, and Thorney Opportunities will hold between 8.3% and 15.4% of the Company after completion of the Rights Issue; and in total, all of the Thorney Entities, Thorney International and Thorney Opportunities will hold a 'common' voting power of between 28.4% and 37.8% of the Company after completion of the Rights Issue.

In recommending the Capital Raising, the Directors believe these arrangements provided certainty of funding from a supportive current Shareholder (in Thorney International) and a new Shareholder (Thorney Opportunities) as well as an opportunity for all Eligible Shareholders to participate in the Rights Issue on attractive terms.

Directors' consideration of the Rights Issue

The Directors believe this Rights Issue is advantageous, with the following benefits:

- it will materially strengthen the Company's balance sheet;
- it enables the Company to explore new growth opportunities;
- it is expected to enable the Company to undertake its next refinancing on more favourable terms;
- Eligible Shareholders will have the opportunity to invest further in Service Stream at an 8.6% discount to the 30 day VWAP (calculated on the date the Capital Raising was announced).

However, the Rights Issue has some disadvantages:

- the Rights Issue will dilute positions held by Shareholders who do not apply for their full entitlement. As the Rights Issue is structured as a non-renounceable offer, Shareholders who do not take up their Entitlements, and Ineligible Shareholders, will not receive any potential value for their Entitlements;
- under the Placement and the Rights Issue (including the sub-underwriting arrangements entered into by Thorney International and Thorney Opportunities), the maximum percentage shareholding of each of Thorney International and Thorney Opportunities, assuming no other Shareholder participates in the Rights Issue, will be 22.4% and 15.4% respectively;
- there may be conflicts between the interests of Thorney International and Thorney Opportunities and other shareholders. For example, each of Thorney International and Thorney Opportunities may be in a position to exercise influence over matters that may require Shareholder approval;
- the Rights Issue is at an 8.6% discount to the 30 day volume weighted average price (VWAP) of \$0.197 per Share, calculated on 24 January 2014 (which was the date the Capital Raising was announced); and
- there are approximately \$1.1 million in costs associated with the Capital Raising, including approximately \$0.7 million attributable to the Rights Issue.

In recommending the Rights Issue, your Directors believe that the advantages of the Rights Issue outweigh any disadvantages.

A more detailed assessment of the benefits and disadvantages of the Rights Issue was included in Section 3 of the Explanatory Memorandum that accompanied the Notice of Meeting that was recently despatched to Shareholders.

Further information

This Prospectus contains further details of the Offer, including a discussion of the advantages, disadvantages and risks of the Rights Issue. Please read the Prospectus carefully before deciding how to respond to the Offer.

If you have any questions about the Offer under the Rights Issue, please consult your independent financial or legal adviser.

Yours sincerely,

Peter Dempsey
Chairman

1 Investment overview

1.1 Key features of the Offer

Topic	Summary	Where to find more information
The Offer	This is a fully underwritten offer of 59.4 million New Shares to Eligible Shareholders. Two New Shares are offered for every eleven Shares held on the Record Date, at the Offer Price.	Section 2
Offer Price	The Offer Price is \$0.18 per New Share payable in full on lodgement of your Application.	Section 2
Amount to be Raised	The Offer is expected to raise \$10.7 million (before costs).	Section 2

1.2 Overview of Service Stream

Topic	Summary	Where to find more information
What is Service Stream's business?	Service Stream provides access, design, build, installation and maintenance infrastructure predominantly to the telecommunications and utilities industry. The group has three key business units: Fixed Communications, Mobile Communications and Energy and Water.	n/a

1.3 Key risks

Topic	Summary	Where to find more information
What are the risks associated with an investment in Service Stream?	Applicants should consider specific and general risk factors associated with the Offer, together with information contained in this Prospectus, before deciding whether to apply for New Shares.	Section 4
What are the business specific risks I should be aware of?	The achievement of Service Stream's business objectives may be impacted by a range of factors including availability of funding, changes in industry dynamics, non-renewal of key customer contracts, reduction in customer demand for Service Stream's services, handling of potentially hazardous materials and the risks associated with the retention of key personnel.	Section 4.2

Topic	Summary	Where to find more information
What other risks should I also consider?	A number of other (non business specific) risk factors that could affect the future performance of the business include changes in global economic conditions and regulatory risks associated with changes in government regulation of the industries in which Service Stream operates.	Section 4.3

1.4 Directors, interests and benefits of key persons

Topic	Summary	Where to find more information												
What are the Directors' interests?	<p>The Directors of Service Stream Limited are Peter Dempsey (Chairman), Brett Gallagher, Stephe Wilks, Deborah Page and Terry Sinclair (Managing Director).</p> <p>Each Director intends to take up their full Entitlement.</p> <p>The shareholdings of each Director as at the date of this Prospectus is as follows:</p> <table border="1"> <thead> <tr> <th>Directors</th> <th>Fully paid ordinary shares (number)</th> </tr> </thead> <tbody> <tr> <td>P Dempsey</td> <td>570,000</td> </tr> <tr> <td>T Sinclair</td> <td>Nil</td> </tr> <tr> <td>D Page</td> <td>129,400</td> </tr> <tr> <td>B Gallagher</td> <td>8,792,113</td> </tr> <tr> <td>S Wilks</td> <td>500,000</td> </tr> </tbody> </table>	Directors	Fully paid ordinary shares (number)	P Dempsey	570,000	T Sinclair	Nil	D Page	129,400	B Gallagher	8,792,113	S Wilks	500,000	Section 6.5
Directors	Fully paid ordinary shares (number)													
P Dempsey	570,000													
T Sinclair	Nil													
D Page	129,400													
B Gallagher	8,792,113													
S Wilks	500,000													
What benefits are payable to advisers?	Service Stream estimates that the total costs of the Capital Raising, including the negotiation of transaction documents, calling and holding of the extraordinary general meeting, issue of the Shares under the Placement, conduct of the Offer and payment of corporate, legal, advisory and the Registry fees, will be approximately \$1.1 million. Costs attributable solely to the Offer will be approximately \$0.7 million.	Section 6.9												
Who is Thorney Opportunities?	Thorney Opportunities is an investment vehicle listed on the ASX and managed by Thorney Management Services Pty Ltd.	n/a												
Who is Thorney International?	Thorney International is currently the largest Shareholder of Service Stream and is part of the private Thorney Group.													

Topic	Summary	Where to find more information
What benefits and interests are payable to Thorney in connection with the Offer?	<p>Thorney Opportunities is entitled to fees of approximately \$137,000 in relation to its sub-underwriting of the Rights Issue.</p> <p>Thorney International is entitled to fees of approximately \$46,000 in relation to its sub-underwriting of the Rights Issue.</p>	Section 6.8

1.5 Key terms and conditions of the Offer

Topic	Summary	Where to find more information
Who is the issuer of the Prospectus?	Service Stream Limited	n/a
Is the Offer underwritten?	The Offer is fully underwritten by Wilson HTM.	Section 6.8
Am I eligible to participate in the Offer?	Shareholders who are entered on the share register of the Company at 7pm on the Record Date (Tuesday, 1 April 2014) and who have a registered address in Australia or New Zealand are eligible to participate in the Offer.	Section 5.2
How can I apply?	<p>Applicants should complete their personalised Entitlement and Acceptance Form and submit it, together with the necessary Application Monies on or before 5.30pm (Melbourne time) on the Closing Date, Thursday, 17 April 2014 to:</p> <p>Computershare Investor Services Pty Ltd GPO Box 505 Melbourne VIC 3001</p> <p>You may also apply for New Shares by making a payment via BPAY®.</p>	Section 5
Is my Entitlement transferable?	The Offer is a non-renounceable entitlement offer and accordingly your Entitlement is not transferable.	Section 5.7
Can I apply for New Shares in addition to my Entitlement?	Shareholders may apply for New Shares in addition to their Entitlement.	Section 5.5
How will Shortfall Shares be allocated?	Any Shortfall Shares will be allocated by the Board at its discretion amongst Shareholders who apply for New Shares in addition to their Entitlement and to Wilson HTM in respect of the underwriting and sub-underwriting arrangements.	Section 5.5

Topic	Summary	Where to find more information
When will New Shares commence trading on ASX?	New Shares are expected to commence trading on ASX on Thursday, 1 May 2014.	n/a
Where can I find more information about this Prospectus or the Offer?	If you have any questions, please call Computershare Investor Services Pty Ltd on either 1300 850 505 (within Australia) or +61 3 9415 5000 (outside Australia) at any time between 9.00am and 5.30pm (Melbourne time), Monday to Friday, until the Closing Date. Alternatively, please contact your broker, accountant or other professional adviser.	Section 6.3
Can the Offer be withdrawn?	The Company reserves the right not to proceed with the Offer and may withdraw the Offer at any time before settlement of the Offer. If the Offer does not proceed, Application Monies will be refunded. No interest will be paid on any Application Monies refunded.	n/a

2 Purpose and effect of the Offer

2.1 Purpose of the Offer

The Offer will raise \$10.7 million (before costs). In conjunction with the completed Placement of \$9.35 million, the overall Capital Raising will raise \$20.05 million (before costs).

The funds raised from the Offer and the Placement are planned to be used in accordance with the table set out below:

Item	Use of funds	Proceeds from Placement	Proceeds from Offer	Total (%)
1	Retire debt	\$5.00m	\$5.00m	49.9%
2	Reduce net debt and provide funds for growth	\$3.95m	\$5.05m	44.9%
3	Pay costs associated with the Capital Raising	\$0.40m	\$0.65m	5.2%

The above table is a statement of the Board's current intention as at the date of this Prospectus. Amounts noted as being allocated to retire debt relate to an obligation that has been agreed with the Company's banks to pay down debt to that extent. Amounts noted as being intended to reduce net debt may be held on deposit or used to pay down bank debt with the ability to redraw.

It is anticipated that undertaking the Capital Raising will materially reduce constraints on Service Stream by reducing the overall level of net debt and by providing greater flexibility for refinancing the Company's lending facilities.

2.2 Effect of the Offer

The principal effect of the Offer will be to:

- (a) reduce the Company's debt by \$5.00 million immediately after completion of the Offer as agreed with the Company's banks;
- (b) reduce the Company's net debt by \$5.05 million (after deducting the estimated expenses of the Offer) by holding funds on deposit or paying down bank debt with the ability to redraw; and
- (c) increase the number of Shares on issue from 326.9 million Shares as at the date of this Prospectus (including the 42.5 million Shares issued under the Placement) to 386.4 million Shares.

2.3 Capital structure on completion of the Offer

The effect of the Offer on the Company's capital structure is set out below.

Shares	Number
Shares on Issue pre Capital Raising	284.4 million
Shares issued under the Placement	42.5 million
Shares offered under this Prospectus	59.4 million
Total Shares on issue on completion of this Offer and Placement	386.4 million

2.4 Effect of the Offer on the control of Service Stream

Thorney International was an existing substantial Shareholder (holding 19.9% of the issued equity) prior to the Capital Raising. Thorney Opportunities had no Shareholding prior to the Capital Raising.

Thorney International was issued \$2.0 million worth of Shares under the Placement. Thorney Opportunities (an ASX listed investment company) was issued \$6.0 million worth of Shares under the Placement. Certain other sophisticated and professional investors (clients of Wilson HTM) were issued Shares for the balance of \$1.35 million. All participants in the Placement subscribed for Shares at a price of \$0.22 per Share.

At the date of this Prospectus, Thorney International and Thorney Opportunities own in aggregate 92.9 million Shares, representing 28.4% of the total issued Shares.

Thorney International and Thorney Opportunities have undertaken to take up their full Entitlement in this Offer. Assuming there is no shortfall to this Offer, the Company will issue under the Placement and Rights Issue (but not the Sub-underwriting Agreements) a total of:

- (a) 21.0 million Shares to Thorney International; and
- (b) 32.2 million Shares to Thorney Opportunities.

Assuming a shortfall in the Offer from Shareholders other than Thorney Opportunities and Thorney Investments, the Company will issue (inclusive of Shares issued under the Placement, this Offer and the Sub-underwriting Agreements) a total of up to:

- (a) 30.1 million Shares to Thorney International; and
- (b) 59.5 million Shares to Thorney Opportunities,

depending on the number of Shortfall Shares.

Under the Placement, 6.1 million Shares were issued to certain sophisticated and professional investors (in addition to the Placement Shares issued to Thorney International and Thorney Opportunities). The sophisticated and professional investors are clients of Wilson HTM.

The exact number of Shares that will be issued to each of Thorney International and Thorney Opportunities will depend on the extent to which other Shareholders take up their Entitlement under this Offer, and participate in any shortfall.

The table below shows the Shares to be issued to each of Thorney International and Thorney Opportunities under the Sub-underwriting Agreements depending on the level of take-up by other Shareholders in the Offer.

Take-up by other Shareholders in the Offer	Shares to be issued to Thorney International under the Sub-underwriting Agreements		Shares to be issued to Thorney Opportunities under the Sub-underwriting Agreements	
	Shares	Percentage*	Shares	Percentage*
0%	9.1 million Shares	2.4%	27.3 million Shares	7.1%
25%	6.8 million Shares	1.8%	20.5 million Shares	5.3%
50%	4.6 million Shares	1.2%	13.7 million Shares	3.5%
100%	0 Shares	0.0%	0 Shares	0.0%

* The percentage of the total issued capital of the Company this represents on completion of the Capital Raising.

The table below shows the maximum number of Shares to be issued to each of Thorney International and Thorney Opportunities under the Capital Raising (assuming none of the other Shareholders take up their Entitlement under the Offer).

	Shares to be issued to Thorney International		Shares to be issued to Thorney Opportunities	
	Shares	Percentage*	Shares	Percentage*
Placement	9.1 million Shares	2.4%	27.3 million Shares	7.1%
Offer Entitlement	11.9 million Shares	3.1%	5.0 million Shares	1.3%
Offer sub-underwrite	Up to 9.1 million Shares	Up to 2.4%	Up to 27.3 million Shares	Up to 7.1%
Total**	Up to 30.1 million Shares	Up to 7.8%	Up to 59.5 million Shares	Up to 15.4%

* The percentage of the total issued capital of the Company this represents on completion of the Capital Raising.

** Totals are rounded to the nearest 0.1%.

The maximum percentage of Shares owned by Thorney International and Thorney Opportunities resulting from the Capital Raising will be up to 22.4% and 15.4% respectively, in both cases expressed as a percentage of Shares on issue after the Capital Raising is completed.

The potential maximum voting power, as a result of the Capital Raising, of Thorney International, Thorney Opportunities and the Thorney Entities is 37.8%, reflecting the fact that the voting power of each is also deemed to be held by the other (with the potential maximum increase in voting power of Thorney International being 17.9% and of Thorney Opportunities being 37.8%).

There will be no effect on control if all Eligible Shareholders take up their Entitlement.

Ineligible Shareholders and Eligible Shareholders who do not participate in the Offer will have their Shareholdings diluted by approximately 15.4% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus).

Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record Date (shares)	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken up	% post Offer
1	25,000	0.01%	4,545	25,000	0.01%
2	250,000	0.08%	45,455	250,000	0.06%
3	2,500,000	0.76%	454,545	2,500,000	0.65%
4	25,000,000	7.65%	4,545,455	25,000,000	6.47%

3 Financial information

3.1 Basis of preparation

The pro-forma financial information provided below is based on historical financial information that has been extracted from the Company's Financial Report for the half-year to 31 December 2013 which has been reviewed by the Company's auditor and lodged with ASX and ASIC. As such it has been prepared in accordance with the Standards and Interpretations issued by the Australian Accounting Standards Board as applicable at the reporting date.

Further historical financial information can be found on ASX or the Company's website.

3.2 Pro-forma historical statement of Financial Position

The effect of the Offer on the Company's Financial Position is detailed below:

\$'000	Half-year ended 31 Dec 2013	Placement 42.5m shares at \$0.22per share less costs	After Placement	Rights Issue 59.4m shares at \$0.18per share less costs	After Rights Issue
Current Assets					
Cash and bank balances	12,047	3,945	15,992	5,048	21,040
Working capital and other balances	131,851	0	131,851	0	131,851
	143,898	3,945	147,843	5,048	152,891
Non-Current Assets					
Property, plant and equipment	12,619	0	12,619	0	12,619
Intangible assets	5,888	0	5,888	0	5,888
Goodwill	115,562	0	115,562	0	115,562
Deferred Tax Assets	0	0	0	0	0
	134,069	0	134,069	0	134,069
Current Liabilities					
Working capital and other balances	(57,125)	0	(57,125)	0	(57,125)
Borrowings	(48,516)	5,000	(43,516)	5,000	(38,516)
Current tax liabilities	0	0	0	0	0
	(105,641)	5,000	(100,641)	5,000	(95,641)
Non-Current Liabilities					
Working capital and other balances	(9,237)	0	(9,237)	0	(9,237)
Borrowings	0	0	0	0	0
Deferred tax liabilities	(4,350)	0	(4,350)	0	(4,350)
	(13,587)	0	(13,587)	0	(13,587)
Total Assets	277,967	3,945	281,912	5,048	286,960
Total Liabilities	(119,228)	5,000	(114,228)	5,000	(109,228)
Net Assets	158,739	8,945	167,684	10,048	177,732
Issued capital	228,416	8,945	237,361	10,048	247,409
Reserves	2,701	0	2,701	0	2,701
Accumulated profits/(losses)	(72,378)	0	(72,378)	0	(72,378)
Total Equity	158,739	8,945	167,684	10,048	177,732

3.3 Service Stream lending facilities

The Company has a multi-option banking facility with Australia and New Zealand Banking Group and Westpac Banking Corporation, which includes a general security agreement over all the Company's assets.

The facility provides the Company with cash advance, bank guarantee and overdraft facilities which currently total \$90.5 million. The facility is scheduled to expire on 31 August 2014.

At 31 December 2013, the cash advance facility was fully drawn at \$50.0 million and the overdraft was drawn to \$0.1 million. With cash on hand of \$12.0 million, net debt (being borrowings net of unrestricted cash) was \$38.1 million. In addition, the Company's bank guarantee facility was drawn to \$32.6 million.

The multi-option syndicated facility contains terms which are typical of a facility of this nature as well as some negative pledges and undertakings which were required to be given due to the Company's financial position as at 30 June 2013. The facility contains a number of financial covenants and requirements including those relating to required shareholder funds, tangible net worth, the value of qualifying assets against which borrowing may occur, fixed charges coverage ratio and the level of EBITDA at various measurement points during FY14.

Since 30 June 2013, the Company has complied with its obligations under the facility and has made repayments totalling \$10.0 million in accordance with the requirements of the facility.

It is anticipated that undertaking the Capital Raising will materially reduce constraints on Service Stream by reducing the level of borrowings, by otherwise reducing the overall level of net debt and by providing greater flexibility for refinancing the Company's lending facilities.

The Company has agreed with its banks to retire debt by up to \$5.0 million from the proceeds of the Placement and by up to \$5.0 million from the proceeds of the Offer.

4 Risk factors

4.1 Introduction

Potential Applicants should consider the specific and general risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares. The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

4.2 Business specific and industry risks

The achievement of Service Stream's business objectives in the near term may be impacted by the following risks. The realisation of any of these risks could have a material adverse impact on the Company's revenue or profitability.

(a) Availability of funding

The most recent refinance of Service Stream's banking facilities involves operating the business within reduced facility limits and modified covenants and with a profile for the amortisation of debt that has been agreed with Service Stream's financiers. There is a risk that profit and cashflow underperformance may require concessions to be sought from the Company's financiers or access to additional funding by way of subordinated debt or equity. The same risk of profit and cashflow underperformance may impede the ability of the Company to secure refinancing at competitive rates following expiry of the current facility term.

(b) Fixed Communications

There is a risk that this operating segment may take longer than anticipated to return to the targeted levels of profitability if recent structural and process improvements do not result in the anticipated operating capability benefits.

(c) Renewal of customer contracts

There are a number of key contracts that expire and are forecasted to be renewed during FY14. These include Mobile Communications' contract with Telstra for the construction of wireless infrastructure, and Energy & Water's contracts with a number of utilities for meter reading and meter replacement services. In addition, contract renewals are currently being discussed between Service Stream and NBN Co in connection with Fixed Communications' contracts with NBN Co for the design and construction of new estates and customer connections.

There is a risk that one or more of these contracts may not be renewed.

(d) Customer demand

Many of Service Stream's customer contracts do not contain volume commitments and are therefore dependent on the customer's demand requirements. There is a risk that the level of customer demand may be less than forecasted in general or in a particular period, resulting in delays in receipt of work orders. Of particular importance is the potential for a major change to the scope or timing of the Federal Government's NBN rollout. In addition, the level of marketing and demand for solar PV installations, client delays in investment in new or upgraded wireless infrastructure and delays in the anticipated roll-out of smart meter programs will also have an impact on the Company's revenues and profitability.

(e) Further impairment of goodwill

Following a review of growth assumptions, forward business plans, weighted average cost of capital and discounted cashflow calculations, the carrying value of goodwill within the Fixed Communications segment was written-down by \$89.8 million in FY13 to leave a remaining balance of \$27.7 million as at 30 June 2013. Any subsequent downwards

revision of the recoverable amount of the Fixed Communications segment will result in a further impairment charge. There is a risk that an impairment charge against Mobile Communications' goodwill (\$45.8 million) and Energy & Water's goodwill (\$42.0 million) will arise should there be a deterioration in these segment's future forecasted cashflows.

(f) Handling of potentially asbestos containing material

Certain works undertaken by Service Stream for its customers may involve the handling of potentially asbestos containing material. Whilst Service Stream has established detailed procedures for the safe and regulatory-compliant handling of potentially asbestos containing material and has implemented rigorous training, accreditation and audit protocols, there is a risk of non-compliance with these procedures by employees or subcontractors which may result in personal injury or property damage and associated claims, regulatory non-compliance and consequent fines (e.g. Workcover or EPA fines), and adverse publicity and additional cost to Service Stream.

(g) Retention of key personnel

The talents of a relatively small number of key personnel contribute significantly to Service Stream's operational effectiveness. There is a risk that one or more of them may leave Service Stream.

4.3 General risks

General risk factors that may impact the future performance of the Company are described below.

(a) Global economic conditions

Any major disruption to, or ongoing deterioration in, the economic climate could adversely impact revenues by affecting employment levels, consumer and business confidence, government expenditures and business activity. Current or potential customers may delay or decrease spending which may impact the demand for Service Stream's services. In addition, current or potential customers may be unable to pay Service Stream for its services if economic conditions deteriorate.

(b) Regulatory risks

The telecommunications and other utility industries are highly regulated. Service Stream is subject to both international and domestic regulatory and licensing requirements, and its business is sensitive to regulatory changes. Obtaining and maintaining approvals can involve significant time and expense, and delays in obtaining approvals or changes to laws and regulations may adversely impact Service Stream's operations.

5 Offer details and how to apply

5.1 Overview of the Offer

The Offer is being made as a non-renounceable entitlement issue of two New Shares for every eleven Shares held by Eligible Shareholders registered at the Record Date, at an Offer Price of \$0.18 per Share.

A maximum of 59.4 million New Shares will be issued pursuant to the Offer to raise \$10.7 million (before costs).

All of the New Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6 for further information regarding the rights and liabilities attaching to the Shares.

The Rights Issue is non-renounceable, meaning that Entitlements are not able to be traded or transferred, and any Entitlements not taken up will lapse and no value will be received for them.

Your Entitlement is described on your personalised Entitlement and Acceptance Form enclosed with the copy of the Prospectus sent to you.

5.2 Eligibility to participate in the Offer

Shareholders who are entered on the Register at 7pm on the Record Date (Tuesday, 1 April 2014) and who have a registered address in Australia or New Zealand are eligible to participate in the Offer.

The Offer is not being extended to any Shareholder with a registered address outside Australia or New Zealand. The Company has determined that making the Offer to Shareholders with a registered address outside Australia or New Zealand is not reasonable in the circumstances, taking into account the small number of Shareholders resident outside Australia and New Zealand and the number and value of New Shares that would have been offered to those Shareholders.

5.3 Options for Eligible Shareholders

Eligible Shareholders may do any of the following:

- (a) take up their full Entitlement under the Offer (please see Section 5.4 below);
- (b) take up their full Entitlement under the Offer and apply for additional New Shares in excess of their Entitlement (please see Section 5.5 below)
- (c) partially take up their Entitlement (please also see Section 5.6 below); or
- (d) decline to take up their Entitlement by taking no action (please see Section 5.7 below).

5.4 Subscribe for all of your Entitlement

To take up all of your Entitlement, you will need to ensure your Application and Application Money for the Entitlements you wish to take up is received by Computershare Investor Services Pty Ltd by no later than **5:00pm (AEDT) on Thursday 17 April 2014**.

5.5 Subscribe for all of your Entitlement and apply for additional New Shares

Shareholders who subscribe for their full Entitlement may apply for additional New Shares in excess of their Entitlement, at the Offer Price.

Any shortfall under the Rights Issue will first be satisfied by allocations made by the Board at its discretion pursuant to any such over-subscriptions, and then under the underwriting and Sub-underwriting Agreements.

The allocation of additional New Shares will be subject to availability and any scale back will be applied by Service Stream at its discretion.

If a Shareholder subscribes for additional New Shares in excess of their Entitlement and the application is not allocated in full, the excess Application Money received will be refunded, without interest.

5.6 Subscribe for part of your Entitlement

You may wish to subscribe for only part of your Entitlement in which case you will need to ensure your Application and Application Money for the Entitlements you wish to take up is received by **5:00pm (AEST) on the Closing Date, Thursday 17 April 2014**.

5.7 Entitlements not taken up and Ineligible Shareholders

If you are an Eligible Shareholder and you do not wish to take up your Entitlement, do nothing. If you do nothing, or if you are an Ineligible Shareholder, the New Shares representing your Entitlement will form part of the shortfall.

Eligible Shareholders who do not take up their Entitlements in full, and Ineligible Shareholders, will not receive any amounts in respect of the Entitlements that they do not take up, and will have a reduced (i.e. diluted) percentage Shareholding after implementation of the Offer.

5.8 Payment methods

(a) Payment by cheque

Please complete the Entitlement and Acceptance Form according to the instructions on the form for all, or that part, of your Entitlement you wish to subscribe for. Entitlement and Acceptance Forms must be accompanied by payment in full of \$0.18 per New Share subscribed for.

Payments must be received by **5:00pm (AEST) on the Closing Date, Thursday 17 April 2014** and must be in Australian currency and by a cheque, bank draft or money order drawn on and payable at any Australian bank.

Cheques should be made payable to "Service Stream Limited" and crossed "Not Negotiable". All amounts must be in cleared funds. Cash payments will not be accepted and receipts for payments will not be provided.

Completed Entitlement and Acceptance Forms with accompanying cheque, bank draft or money order payment must be mailed to the following address:

Computershare Investor Services Pty Ltd
GPO Box 505
Melbourne VIC 3001

(b) Payment by BPAY®

If you are paying for your New Shares by BPAY®, you should refer to your personalised instructions on your Entitlement and Acceptance Form. You **DO NOT** need to complete or return the Entitlement and Acceptance Form.

Make sure you use the specific Biller Code and unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form.

If you have more than one Shareholding and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the

applicable Entitlement and Acceptance Form. **DO NOT** use the same CRN for more than one of your Shareholdings. This can result in your Application Monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any Application in respect of your remaining Shareholdings will not be recognised as valid).

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. Please note that the maximum payment that can be received by BPAY® is \$1 million. It is your responsibility to ensure that funds submitted through BPAY® are received by **5:00pm (AEST) on the Closing Date, Thursday 17 April 2014.**

5.9 Entitlement and Acceptance Form is binding

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY® or via Cheque, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Prospectus and the Entitlement and Acceptance Form and, once lodged or paid, cannot be withdrawn.

Applicants for New Shares agree to be bound by the Constitution.

If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid Application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies or making a payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that you are an Eligible Shareholder.

6 Additional information

6.1 Disclosing entity

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Like all companies listed on ASX, Service Stream is required to disclose any information it has to ASX which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities (unless an exception to its disclosure obligations applies). Service Stream is also required to prepare and lodge with ASIC annual and half-yearly financial statements, accompanied by a directors’ statement and report and an audit or review report.

6.2 Transaction specific prospectus

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

6.3 Documents available for inspection

The Company will provide a copy of any of the following documents free of charge to any person who requests a copy in relation to this Prospectus:

- the annual financial report of Service Stream for the financial year ended 30 June 2013;
- the half-year financial report of Service Stream for the six month period ended 31 December 2013;
- any continuous disclosure notices given to ASX by Service Stream after lodgement of the Company’s 2013 Annual Report on 20 September 2013.

Copies of all documents lodged with ASIC in relation to the Company can be obtained from or inspected at the registered office of the Company or any office of ASIC during normal office hours.

The Company has lodged the following announcements with ASX since the lodgement of the 2013 Annual Report with ASX on 20 September 2013:

17/02/2014 Service Stream HY2014 Market Presentation
 17/02/2014 Service Stream HY2014 Results Announcement
 17/02/2014 Service Stream Appendix 4D and HY2014 Accounts
 17/02/2014 Notice of Extraordinary General Meeting/Proxy Form
 24/01/2014 TOP: Proposed Investment

24/01/2014	Capital Raising and Shareholder Update
24/01/2014	Service Stream announces Capital Raising
23/01/2014	Trading Halt
26/11/2013	Change of Director's Interest Notice
25/11/2013	Appendix 3B
28/10/2013	Becoming a substantial holder
24/10/2013	Ceasing to be a substantial holder
23/10/2013	Chairman's Address to Shareholders
23/10/2013	Executive Director's AGM Presentation
23/10/2013	Results of Meeting
23/10/2013	Service Stream Limited - New Constitution
21/10/2013	Change in substantial holding
21/10/2013	Becoming a substantial holder
14/10/2013	Terry Sinclair appointed Managing Director

6.4 Rights and liabilities attaching to Shares

The rights attaching to Shares (including to New Shares) are:

- (a) set out in the Constitution; and
- (b) in certain circumstances, regulated by the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and the general law.

There is only one class of shares in the Company, being fully paid ordinary shares. The principal rights, liabilities and obligations attaching to the Shares are summarised below. This summary is not intended to be exclusive.

Voting

At a general meeting, every member present in person or by proxy, attorney or representative has one vote on a show of hands (unless a Shareholder has appointed more than one proxy) and one vote on a poll for each fully paid Share held. Where there are two or more joint holders of a Share and more than one joint holder tenders a vote, the vote of the holder named first in the register who tenders the vote will be accepted to the exclusion of the votes of the other joint holders. Voting at any meeting of Shareholders is by a show of hands unless a poll is demanded. The Constitution allows members to appoint a proxy and permits the Directors to implement direct voting if they so choose. A poll may be demanded by at least five Shareholders entitled to vote on the resolution, Shareholders with at least 5% of the votes that may be cast on the resolution on the poll, or the chairperson. If votes are equal on a proposed resolution, the chairperson has a casting vote on a show of hands or on a poll.

Meetings of members and notices

Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution or the Corporations Act. At least 28 days' notice of a meeting must be given to Shareholders.

Dividends

The Directors may, from time to time pay any interim or final dividends that, in their judgement, the financial position of the Company justifies. Such dividends are distributed among the members in proportion to the number of Shares held by them (except in the case of partly paid Shares, which receive dividends in proportion to the amount paid up).

Transfer of Shares

Shareholders may transfer Shares by a written transfer instrument in the usual form or by a proper transfer effected in accordance with the ASX Settlement Operating Rules and any other ASX requirements. The Directors may refuse to register a transfer of Shares in circumstances permitted by the ASX Listing Rules, ASX Settlement Operating Rules or the Corporations Act. The Directors must refuse to register a transfer of Shares where required to do so by the ASX Listing Rules, ASX Settlement Operating Rules or Corporations Act. The Directors may suspend the registration of a transfer at any time, and for any period, as permitted by the ASX Settlement Operating Rules.

Issue of further Shares

The Directors may issue, grant options in respect of, or otherwise dispose of further shares on terms and conditions (including preferential, deferred or special rights, privileges or conditions, or restrictions) as they see fit.

Winding up

Members will be entitled on a winding up to a share in any surplus assets of the Company in proportion to the Shares held by them.

Unmarketable parcels

The Directors may sell the shares in an unmarketable parcel, but only in accordance with the rules outlined in the Constitution.

Share buy-backs

There are no restrictions, other than those imposed by the Corporations Act or ASX Listing Rules, on reducing the Company's share capital or share buy-backs.

Variation of class rights

The rights attached to a class of shares may be varied or cancelled by the Directors by obtaining the:

- consent in writing of the holders of 75% of the issued Shares in the particular class; or
- the sanction of a special resolution passed at a separate meeting of the holders of Shares in that class.

Directors – appointment and removal

The minimum number of Directors is three and the maximum is fixed by the Directors but may not be more than 12 unless the Shareholders pass a resolution varying that number. Directors are elected at general meetings of the Company.

The Directors may appoint a Director to fill a casual vacancy on the Board or in addition to the existing Directors, who will then hold office until the next annual general meeting of the Company (unless it is the CEO, who will continue to hold office).

Directors, excluding the CEO, must retire at the end of the third annual general meeting after their election or re-election. Retiring Directors can stand for re-election. At a minimum, the Company must hold an election of a Director at each general meeting.

Directors — voting

Questions arising at a meeting of Directors will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. In the case of a tied vote, the chairman of the Board has a second or casting vote, unless there are only two Directors present or qualified to vote.

Directors — remuneration

The Directors, other than executive Directors, shall be paid by way of fees for services, the maximum aggregate sum as may be approved from time to time by the Company in general meeting. The current maximum aggregate sum approved by Shareholders at a general meeting is \$500,000 per annum. Any change to that aggregate sum needs to be approved by Shareholders. The Constitution also makes provision for the Company to pay all expenses of Directors in attending meetings and carrying out their duties.

Indemnities

The Company, to the extent permitted by law, indemnifies each of its officers on a full indemnity basis against any losses, liability, costs, charges and expenses incurred by that person as an officer of the Company or one of its subsidiaries.

The Company, to the extent permitted by law, may insure an officer of the Company or its subsidiaries against a liability incurred by such person as an officer of the Company or its subsidiaries to the extent permitted by law. The Company may also insure such person for costs and expenses incurred by that person in defending or resisting proceedings, whatever the outcome.

Variation of Constitution

The Constitution may be amended only by a special resolution passed by at least three quarters of the votes cast by Shareholders present and entitled to vote on the resolution.

6.5 Directors' interests and benefits

The Directors do not have an interest in the Capital Raising other than their ability to participate, like any other Shareholder, in the Offer. Each Director intends to take up their full Entitlements in the Offer.

The following table sets out each Director's holding in Shares in the Company as at the date of this Prospectus.

Directors	Fully paid ordinary shares (Number)
P Dempsey	570,000
T Sinclair	Nil
D Page	129,400
B Gallagher	8,792,113
S Wilks	500,000

Non-executive Directors' base fees are presently limited to a maximum of \$500,000 per annum between all non-executive Directors.

The Directors' remuneration paid for the financial year ended 30 June 2013 is contained in the Company's annual report released to the ASX on 20 September 2013.

In addition, as per the Company's announcement on 14 October 2013, the Managing Director receives total remuneration of \$600,000 per annum (including superannuation and all other allowances) and reward for performance in the role, over and above annual remuneration is by way of long term incentive. Under his long term incentive arrangement, the Managing Director may be issued with up to a total of 4.5 million

Shares subject to Shareholder approval and the satisfaction of certain financial performance criteria, with vesting dates on the third, fourth and fifth anniversary of the commencement date of his employment.

6.6 Interests and benefits of advisers

Wilson HTM has acted as underwriter to the Placement and the Offer. Service Stream has paid, or agreed to pay, Wilson HTM the fees described in Section 6.9 for these services.

Each of Thorney Opportunities and Thorney International has acted as sub-underwriter to the Rights Issue. Thorney Opportunities is entitled to fees of approximately \$137,000 in relation to its sub-underwriting of the Rights Issue and Thorney International is entitled to fees of approximately \$46,000 in relation to its sub-underwriting of the Rights Issue.

Herbert Smith Freehills has acted as Australian corporate legal adviser to the Company in connection with the Placement and the Offer (excluding in relation to taxation and stamp duty matters). The Company has paid or agreed to pay approximately \$160,000 for these services to the date of the Prospectus. Further amounts may be paid to Herbert Smith Freehills in accordance with its normal fee arrangements.

Venture Advisory has acted as corporate and financial adviser to the Company in connection with the Placement and the Offer and related matters. The Company has paid or agreed to pay a fee of \$95,000 for these services.

6.7 No other interests

Except as disclosed above or elsewhere in this Prospectus, no:

- Director or proposed Director;
- person who is named in this Prospectus and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of Service Stream; or
- underwriter of the Offer (including Wilson HTM),

holds at the time of lodgement of the Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or property of Service Stream;
- property acquired or proposed to be acquired by Service Stream in connection with its formation or promotion, or in connection with the Offer; or
- the Offer,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given to any such persons for services in connection with the formation or promotion of Service Stream or the Offer or to any Director or proposed Director to induce them to become, or qualify as, a Director.

6.8 Underwriting and sub-underwriting arrangements

The Offer is fully underwritten by Wilson HTM pursuant to an underwriting agreement dated 23 January 2014. The Underwriting Agreement contains standard conditions precedent for a transaction of this nature, including the requirement to obtain shareholder approval in respect of the Capital Raising (which has been obtained). The Company has provided representations and warranties, and an indemnity in favour of Wilson HTM. Wilson HTM is also entitled to terminate the Underwriting Agreement in certain circumstances, including if: the Company fails to lodge the prospectus in connection with

the Offer by a specified date; the S&P ASX All Ordinaries Index or the S&P/ASX Small Ordinaries Index closes for three consecutive trading days at a level that is more than 15% lower than the level of either index on 23 January 2014; a disclosure in the Prospectus is misleading or deceptive (including by omission) in a material particular; the Company breaches the Underwriting Agreement and fails to remedy the breach within a specified period of time; there is a disruption to trading in securities in certain exchanges; or the Takeovers Panel makes a declaration of unacceptable circumstances in respect of the Capital Raising.

Thorney Opportunities and Thorney International agreed to sub-underwrite the Offer pursuant to sub-underwriting agreements dated 22 January 2014. The Sub-underwriting Agreements contain standard terms and representations for a transaction of this nature and may be terminated only if the Underwriting Agreement is terminated.

6.9 Costs of the Offer

Service Stream estimates that the total costs of the Capital Raising, including the negotiation of transaction documents, calling and holding of the extraordinary general meeting, issue of the Shares under the Placement, conduct of the Offer and payment of corporate, legal, advisory and the Registry fees, will be approximately \$1.1 million.

Service Stream will pay Wilson HTM 4.0% of the \$10.7 million to be raised under the Offer (in addition to 2.0% of the \$9.35 million raised under the Placement), equal to approximately \$0.6 million in total. This amount is included within the \$1.1 million approximate total cost of the Capital Raising.

6.10 Quotation

The Company will apply to ASX within seven days of the date of this Prospectus for quotation of the New Shares on ASX.

If ASX does not grant approval for the quotation of the New Shares offered under this Prospectus within three months after the date of the Prospectus (or any longer period permitted by law) the Offer will be withdrawn and all Application Monies received will be refunded without interest.

6.11 Tax

The potential tax effects relating to the Offer will vary between Shareholders. Shareholders are urged to consider the possible taxation consequences of participating in the Offer by consulting a professional tax adviser.

6.12 Consents and disclaimers of responsibility

Written consents to the issue of this Prospectus have been given and, at the time of lodgement of this Prospectus with ASIC, had not been withdrawn, by the following parties:

- Wilson HTM has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its consent to be named in this Prospectus as underwriter to the Offer in the form and context in which it is named;
- each of Thorney Opportunities and Thorney International has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, their consent to be named in this Prospectus as sub-underwriters to the Offer in the form and context in which they are named;

Herbert Smith Freehills has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its consent to be named in this Prospectus as Australian legal adviser to the Company in connection with the Offer (excluding in relation to taxation and stamp duty) in the form and context in which it is named;

- Venture Advisory has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its consent to be named in this Prospectus as corporate and financial adviser to the Company in connection with the Offer in the form and context in which it is named; and
- Computershare Investor Services Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in the prospectus as the Registry in the form and context in which it is named. Computershare Investor Services Pty Ltd has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

No entity or person referred to above in this Section 6.12 has made any statement that is included in this Prospectus or any statement on which a statement in this Prospectus is based, except as stated above. Each of the entities and persons referred to in this Section 6.12 has not authorised or caused the issue of this Prospectus, does not make any offer of Shares and expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus except as stated above in this Section 6.12.

6.13 Determination by ASIC

ASIC has not made a determination under Section 713(6) of the Corporations Act which would prevent Service Stream from issuing a prospectus under Section 713 of the Corporations Act.

6.14 Litigation and claims

As far as the Directors are aware, there are no current or threatened civil litigation, arbitration proceedings or administrative actions or appeals, or criminal or governmental prosecutions of a material nature in which Service Stream is directly or indirectly concerned which are likely to have a material adverse effect on the business or financial position of Service Stream.

6.15 Governing law

This Prospectus and the contracts that arise from the acceptance of Applications are governed by the law applicable in Victoria and each Applicant submits to the non-exclusive jurisdiction of the courts of Victoria.

6.16 Privacy

By filling out an Entitlement and Acceptance Form to apply for New Shares, you are providing personal information to the Company through the Registry, which is contracted by Service Stream to manage Applications. Service Stream, and the Registry on its behalf, may collect, hold and use that personal information in order to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

Your personal information may also be used from time to time to inform you about other products and services offered by the Company, which it considers may be of interest to you.

Your personal information may also be provided to Service Stream's members, agents and service providers on the basis that they deal with such information appropriately. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Registry for ongoing administration of the Shareholder register;

- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing the Shareholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Shares and for associated actions.

The Corporations Act requires Service Stream to include information about the Shareholder (including name, address and details of the Shares held) in its public register of members. If you do not provide all the information requested, your Entitlement and Acceptance Form may not be able to be processed.

The information contained in Service Stream's register of members must remain there even if that person ceases to be a Shareholder. Information contained in the register of members is also used to facilitate corporate communications (including the Company's financial results, annual reports and other information that Service Stream may wish to communicate to its Shareholders) and compliance by Service Stream with legal and regulatory requirements.

You may request access to your personal information held by or on behalf of Service Stream. A fee may be charged for access. You can request access to your personal information by writing or telephoning the Registry.

6.17 Statement of Directors

This Prospectus is authorised by each Director of Service Stream, who has consented to its lodgement with ASIC and its issue.

7 Glossary

Term	Meaning
Applicant	a person who submits a valid Entitlement and Acceptance Form under this Prospectus.
Application	the lodgement of a valid Entitlement and Acceptance Form.
Application Monies	the Offer Price multiplied by the number of Shares applied for.
ASIC	Australian Securities & Investments Commission.
Australian Dollars or AUD	the lawful currency of the Commonwealth of Australia.
ASX	ASX Limited ACN 008 624 691, or the market operated by it, as the context requires.
ASX Listing Rules	the Listing Rules of the ASX as amended from time to time.
ASX Settlement Operating Rules	the operating rules of ASX Settlement Pty Limited.
Board	the board of Directors of the Company.
Capital Raising	the Placement and the Offer.
Closing Date	the date by which valid Applications must be received by the Registry being 5:00pm AEST Thursday 17 April 2014 or such other date and time determined by the Board.
Company or Service Stream	Service Stream Limited ACN 072 369 870.
Constitution	the constitution of the Company.
Corporations Act	the Corporations Act 2001 (Cth).
Directors	the directors of the Company.
Dollars or \$	Australian Dollars unless otherwise specified.
Eligible Shareholder	a Shareholder as at the Record Date with a registered address in Australia or New Zealand.
Entitlement	an Eligible Shareholder's entitlement to subscribe for two New Shares for every eleven Shares held on the Record Date.
Entitlement and Acceptance Form	the personalised entitlement and acceptance form attached to this Prospectus.
FY	financial year, being the 12 month period ending on 30 June of the specified year.
Ineligible Shareholder	a Shareholder who is not an eligible Shareholder.
Listing Rules	the official listing rules of the ASX.

Term	Meaning
New Shares	new Shares offered under this Prospectus.
Offer	the non-renounceable pro rata entitlement offer made to Eligible Shareholders under this Prospectus, comprising the offer of two New Shares for every eleven Shares held as at the Record Date at the Offer Price to raise \$10.7m.
Offer Period	the period commencing on the Opening Date and ending on the Closing Date.
Offer Price	\$0.18 per Share.
Opening Date	the date the Offer opens, being 3 April 2014.
Placement	the placement of 42.5 million shares at \$0.22 per Share to raise \$9.35m.
Prospectus	this document.
Record Date	the record date for the Offer, being Tuesday 1 April 2014.
Registry	Computershare Investor Services Pty Limited ACN 078 279 277.
Share	a fully paid ordinary share in the capital of the Company.
Shareholder	a shareholder of the Company.
Shortfall Shares	the total number of Shares offered under the Offer less the number of New Shares for which valid Applications are received by Eligible Shareholders pursuant to the Offer.
Sub-underwriting Agreements	the agreements dated 22 January 2014 between each of Thorney International and Thorney Opportunities and Wilson HTM under which each of Thorney International and Thorney Opportunities agreed to sub-underwrite part of the Offer.
Thorney Entities	<ul style="list-style-type: none"> • Thorney Investment Group Australia Pty Ltd ACN 117 488 892 • Thorney Alpha Pty Ltd ACN 162 820 537 • Thorney Beta Pty Ltd ACN 162 828 677 • Thorney Management Services Pty Ltd ACN 164 880 148 • Thorney Omega Pty Ltd ACN 163 964 636 • Thistle Custodians Pty Ltd ACN 078 027 193 • Thistle Holdings Pty Ltd ACN 075 051 464 • Thorney Holdings Pty Ltd ACN 006 262 835 • TIGA Property Pty Ltd ACN 117 811 453 • TIGA (Ballarat) Pty Ltd ACN 117 812 030 • TIGA (Hawthorn) Pty Ltd ACN 126 952 663 • TIGA Tails Pty Ltd ACN 080 534 416 • TIGA Finance Pty Ltd ACN 118 521 412 • TIGA Trading Pty Ltd ACN 118 961 210 • Alex Waislitz • Jamahjo Pty Ltd ACN 117 488 696
Thorney International	Thorney International Pty Ltd ACN 132 886 698.
Thorney Opportunities	Thorney Opportunities Ltd ACN 080 167 264.

Term	Meaning
Underwriting Agreement	the agreement dated 23 January 2014 between Wilson HTM and the Company under which Wilson HTM agreed to underwrite the Placement and Offer.
Venture Advisory	Venture Advisory Pty Ltd ACN 145 802 302.
Wilson HTM	Wilson HTM Corporate Finance Ltd ACN 057 547 323.

8 Corporate Directory

Directors

Peter Dempsey
Terry Sinclair
Brett Gallagher
Deborah Page AM
Stephe Wilks

Company Secretary

Vicki Letcher
Jessica Lyons

Registered Office

Level 4
357 Collins Street
Melbourne Victoria 3000

Tel: +61 3 9677 8888
Fax: +61 3 9677 8877

www.servicestream.com.au

Share Registry

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford Victoria 3067

Tel: 1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)
Fax: +61 3 9473 2500

Corporate and Financial Advisers

Venture Advisory

Level 50, 120 Collins St
Melbourne Victoria 3000


Australian Corporate Legal Advisers

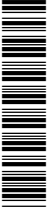
Herbert Smith Freehills

101 Collins Street
Melbourne Victoria 3000

For all enquiries:


Phone:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 5000

Web:
 www.investorcentre.com



┌ 000001 000 SSM
MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Make your payment:

 See overleaf for details of the Offer and how to make your payment

Non-Renounceable Rights Issue - Entitlement and Acceptance Form

 **Offer Closes 5:00pm (AEST) on Thursday, 17 April 2014**

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this Entitlement and Acceptance Form, please contact your financial or other professional adviser.

STEP 1 **Registration Name**

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect. If you have a CHESS sponsored holding, please contact your Controlling Participant to notify of a Change of Address.

STEP 2 **Entitlement Taken Up**

You can apply to accept either all or part of your Entitlement. Enter overleaf the number of New Shares you wish to accept from your Entitlement.

STEP 3 **Additional New Shares Applied For**

Enter overleaf the number of additional New Shares you wish to apply for (if any). No Eligible Shareholder is assured of receiving any additional New Shares applied for in excess of their Entitlement and any amount by which applications from Eligible Shareholders exceed their Entitlements may be scaled back at the Company's discretion.

STEP 4 **Make Your Payment**

By making your payment you confirm that you agree to all the terms and conditions as detailed in the Prospectus 24 March 2014.

Choose one of the payment methods shown below.

BPAY®: See overleaf. Do not return the payment slip overleaf with your BPAY payment.

Payment must be received by BPAY by no later than **5:00pm (AEST) on Thursday, 17 April 2014**. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration.

By Mail: Complete the reverse side of this payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to **"Service Stream Limited - Rights Issue Account" and crossed "Not Negotiable"**. The cheque must be drawn from an Australian bank. Cash is not accepted.

Your payment slip with your payment must be received by no later than **5:00pm (AEST) on Thursday, 17 April 2014**.

Payment will be processed on the day of receipt. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

Turn over for details of the Offer →

Payment Slip - See Overleaf


Service Stream Limited Non-Renounceable Rights Issue
Offer Closes 5:00pm (AEST) on Thursday, 17 April 2014

Entitlement and Acceptance Form

X 9999999991

I ND

STEP 1 Registration Name & Offer Details

 For your security keep your SRN/
HIN confidential.

Registration Name: MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Entitlement No: 12345678

Offer Details: Existing shares entitled to participate as at Tuesday, 1 April (Record Date):
Entitlement to New Shares on a two (2) New Share for every eleven (11) Shares held:
Amount payable on acceptance of full entitlement at \$0.18 per New Share:

4,400

800

\$144.00

STEP 4 Make Your Payment

Pay by BPAY:



Bill Code: 123456
Ref No: 1234 5678 9123 4567 89

Contact your financial institution to make your payment from your cheque or savings account.

Pay by Mail:



Make your cheque, bank draft or money order payable to "**Service Stream Limited - Rights Issue Account**" and crossed "**Not Negotiable**".

Return your cheque, bank draft or money order with the payment slip below to:
Computershare Investor Services Pty Limited
GPO BOX 505 Melbourne Victoria 3001 Australia

Privacy Statement

Personal information is collected on this form by Computershare Investor Services Pty Limited (CIS) as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS using the details provided above or email privacy@computershare.com.au

Service Stream Limited - Acceptance Payment Slip

STEP 2 Entitlement taken up:

STEP 3 Number of additional New Shares applied for:

Amount enclosed at \$0.18 per New Share: **A\$**

Payment must be received by 5:00pm (AEST) on Thursday, 17 April 2014



Entitlement No: 12345678

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Contact Details

Contact Name _____ Daytime Telephone _____

Cheque Details

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/>

123456789123456789+000000001-3051+14