

ASX ANNOUNCEMENT

Strategic Transaction with JJ Richards

1 June 2017

- **Strategic transaction with JJ Richards involving the sale of Toxfree's Tasmania and Rockhampton business and the purchase of JJ Richards' industrial business in Roma, Queensland**
- **The transaction involved an effective asset swap at equivalent earnings (EBITDA) and asset value**
- **The Roma assets and revenues better align with Toxfree's strategic focus and provides opportunity to strengthen our existing business in Roma and realise synergies**
- **Strategic alignment will drive an improvement in return on invested capital**

Tox Free Solutions Limited ("Toxfree" or the "Company") is pleased to advise that it has completed a transaction with JJ Richards involving an effective swap of assets at equivalent earnings (EBITDA) and asset values.

Over the last five years, Toxfree has successfully diversified its business to become a leading provider of specialist waste management and industrial services. Our strategy is to focus on four target markets being the Health, Industrial, Regulated and Resources markets.

The Company is focused on improving its return on capital and earnings per share, and had identified several assets that were not in alignment with the Company's strategy – including the Tasmanian and Rockhampton waste services businesses which were acquired as part of the Wanless transaction in 2013. Both businesses provide a combination of municipal and commercial solid waste and recycling services. While these businesses have performed adequately for Toxfree, these markets and regions are not a strategic focus for Toxfree going forward. The opportunity to recycle capital into more strategic and better returning assets will strengthen our business and align our focus.

The purchase of JJ Richards' industrial business in Roma is a strong fit with Toxfree's strategy to service the Coal Seam Gas ("CSG") resource sector in Queensland. The JJ Richards business will complement Toxfree's existing business activities in the Surat Basin region of Queensland and will enable Toxfree to realise synergies by integrating the two businesses. Toxfree's existing business provides services to Origin operations and GLNG production under contract. JJ Richards has major contracts with Schlumberger for Origin production drilling, as well as several other industrial clients in the region. All clients, employees and assets will transfer to Toxfree as part of the transaction.

Steve Gostlow, Managing Director of Toxfree said *“Toxfree is delighted to announce this transaction with JJ Richards. The CSG sector in central Queensland is a very attractive market for Toxfree and we expect to realise synergies and improve our returns through consolidation with our existing industrial services business in Roma. The region will be a large gas production hub for decades to come, and Toxfree is focused on positioning its business as the leading provider of specialist waste and industrial services to this market.”*

“I would like to thank all of Toxfree’s employees in Tasmania and Rockhampton for their efforts under Toxfree’s ownership over the last four years and I wish you all well in your future endeavours under the ownership of JJ Richards. To our new employees in Roma, I look forward to working with you all as we create a stronger business for Toxfree in the central Queensland region.”

Yours faithfully,



STEVE GOSTLOW
Managing Director

About Tox Free Solutions Ltd (ASX code: TOX)

Tox Free Solutions Ltd (Toxfree) is one of the largest integrated waste management, industrial services and environmental businesses in Australia. The Company offers a full range of waste management services through its national network of licensed waste treatment facilities. In addition, Toxfree are fast becoming the leaders in onsite industrial services, waste minimisation, resource recovery and total waste management services.

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