



ASX ANNOUNCEMENT

30th June 2009

RECAPITALISATION UPDATE

Allomak Limited (Allomak or the Company) (ASX Code: AMA) is today pleased to announce that it has finalised the details of a significant recapitalisation of the company. These arrangements, which are still subject to shareholder approval by EGM, have resolved the go forward positions with both our bankers and key vendors and will place the company in a sound financial position for the future.

The Company's bankers, Westpac Banking Corporation, have agreed to provide a long term loan facility over the next 5 years, with covenants in line with the projected performance of the restructured businesses. The Westpac proposal is conditional on shareholder approval of the vendor agreements to be voted by EGM.

The Company owed approximately \$10 million to the vendors of certain key operating businesses underlying Allomak and was in breach of its obligation to repay these amounts. The vendors have now agreed to accept 50% of the amounts owed to them as a conversion to ordinary shares in Allomak and 50% in the form of a long term loan, interest free, that will be repaid over a 5 year period. These loans are subordinated to the Company's banking facilities. We appreciate the vendor's commitment and belief in the company both during this process and going forward.

An Explanatory Memorandum is being prepared to present the above proposals for shareholders approval.

We have requested that the ASX continue the existing trading suspension until the company has been able to fully inform the market with the Explanatory Memorandum and an Independent Expert Report.

For further information please contact:

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