



Media Announcement

12 December 2006

International Energy Services on the Acquisition Trail in Australia and Asia

- Acquires number two mining transport operation in Queensland and Northern Territory (number one acquired in July 2006)
- Expands into Asia by acquiring the leading fuel transport operation in Singapore
- Six acquisitions since January 2006

International Energy Services has acquired the Queensland and Northern Territory operations of Mitchell Corp, a Western Australian based transport company.

The two operations, with current revenue of A\$15 million, are the number two mining transport service in the region, and will be integrated into the recently acquired Kiernan Transport Group, the number one transport group, resulting in a combined current revenue of A\$66 million.

IES, a CHAMP Private Equity portfolio company, provides resource product, dangerous goods and fuel transport services and fluid handling equipment to a global blue chip customer base in the mining, oil and gas sectors in Australia and the U.S.A.

“These businesses are a great fit for our Kiernan business, providing us with greater flexibility to better service our customers and ensure a long term employment future for the Mitchell staff, many of whom are locally based,” said Managing Director of IES, Mr. Vin Stenta.

Mitchell operations are based in Charters Towers and Cloncurry in Queensland, the same as Kiernan, and Bootu Creek in the Northern Territory.

“As well as providing further scale, this acquisition extends our ability to offer an integrated service to customers seeking to utilize one service provider for all their logistics requirements,” Mr. Stenta said.

“There is consolidation occurring in the number of service providers and suppliers in the oil, gas, and resources sectors with global partnerships becoming more important.”

IES has also acquired Watt Wah Petroleum Haulage Pte. Ltd., a family business with the leading market position for fuel transport services in Singapore.

“This purchase is important in its own right, and also because it lays the foundation for additional organic and acquisition led growth in South East Asia,” Mr. Stenta said.

“Performance in the oil and gas industries is increasingly being evaluated against global benchmarks and interregional supply and service capabilities.”

CHAMP and IES Director, Nat Childres said, “Global customers, which comprise 75% of IES revenues, are encouraging a trend towards bigger, fewer and better service providers and suppliers. IES is well positioned to benefit from this trend.”

“IES has now completed six this year with group revenues increasing by over 50% to in excess of A\$300 million.

“We are currently pursuing other attractive bolt on acquisitions both locally and in Asia,” Mr. Childres said.

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About IES

IES is Australia's largest transporter of petroleum products, LPG and other dangerous goods (through its subsidiary Cootes Transport Group), the largest transporter of mining products in Queensland (through its subsidiary Kiernan Transport Group) and the 3rd largest global supplier of specialised equipment used in the handling of these products (through its subsidiary Liquip International). With the Beta acquisition it is now one of the largest global suppliers of aviation refueling equipment.

- For further information on IES visit www.ienergyservices.com

About CHAMP Private Equity

CHAMP Private Equity was formed in 2000 by Australian Mezzanine Investments Ltd. (AMIL) of Sydney, and Castle Harlan Inc. of New York. CHAMP and AMIL constitute Australia's longest established private equity investor, and funds advised by them have made some sixty investments since 1987 in companies operating in Australia and New Zealand. CHAMP (along with AMIL) are well known pioneers in the private equity sector and for their track record in building strong companies by partnering closely with management to implement successful growth strategies. The combined worldwide funds of CHAMP and Castle Harlan exceed A\$5 billion.

CHAMP Funds have acquired and successfully exited from investments across a variety of sectors, in companies such as Austar Communications, Bradken Limited and Penrice Limited. Current CHAMP Private Equity investments include: Australian Discount Retail, International Energy Services, Manassen Foods, Pacific Nursing Solutions, Study Group International, and United Malt Holdings.

- For further information on CHAMP Private Equity visit www.champequity.com.au
- For information on CHAMP Ventures see www.champventures.com
- For information on Castle Harlan see www.castleharlan.com