



**Australian Stock Exchange
Company Announcements Platform
22 December 2006**

MARKET ANNOUNCEMENT

Orient Resource Holdings Ltd (ASX:ORH)

CAPITAL RAISING PROGRAM INCLUDING UNDERWRITTEN ENTITLEMENT ISSUE AND NEW STRATEGIC INVESTOR

Orient Resource Holdings Limited ("Orient") is pleased to announce that the Company has put in place a Capital Raising Program ("the Program") which when completed will raise approximately \$3.6 Million (excluding costs of the issue).

The funds raised from the Program will enable the Company to complete a number of short to medium term objectives with the aim of enhancing shareholder value.

The Company has retained Transocean Securities Pty Ltd ("Transocean") as Joint Corporate advisers and Lead Manager of the Program.

Transocean has introduced RAB Special Situations (Master) Fund Limited ("RAB") to the share register. RAB will emerge as a significant shareholder of the Company. Today the Company completed the raising of \$535,800 through the issue of 6,697,500 ordinary shares to RAB

Transocean has agreed to underwrite the Entitlement Issue component of the Program. The Entitlement Issue will be offered on a 1:2 basis and will offer up to 25,673,850 shares at issue price of \$0.08 to raise \$2,053,908.

This announcement further outlines the details of the Program including, description of the Program, indicative timetable, approvals required and parties involved.

Background

Shareholders will be aware that the company recently obtained approval at the 2006 Annual General Meeting ("AGM") for the issue of shares and options under a Placement Facility.

Approval was obtained for the Company to issue and allot up to 16 million ordinary shares at an issue price of not less than \$0.125 together with 8 million attaching options

to subscribe for a share in the Company (with an exercise date of three years from date of issue and an exercise price of \$0.20).

The Company is pleased to report that it has successfully negotiated a significantly greater funding package and as such, the terms of this package (and now described as the Capital Raising Program below) have changed to what had previously been approved.

The Board believes the outlined Capital Raising Program that will replace the Placement Facility has provided the following additional key aspects to the Company's funding initiatives:

1. **Certainty:** As at the date of this announcement the Company has completed Placement A, has put in place conditional underwriting arrangements for its Entitlement issue (the largest component of the Capital Raising Program) and is expected to close Placement B soon after obtaining shareholder approval;
2. **Significantly More Funds Raised:** The new funding package increases the funds raised by \$1.6 Million to approximately \$3.6 Million. These additional funds will allow the company to investigate and develop additional opportunities outside of China.
3. **Involvement of Current Shareholders:** Through the underwritten Entitlement Issue, existing shareholders will have the opportunity to subscribe for new shares in the Company on the same terms as the sophisticated investors;
4. **Strategic Investor:** The Company is pleased to have on its register RAB Special Situations (Master) Fund Limited who at the completion of the Program will emerge as a major shareholder in the Company.

For the avoidance of doubt, the issue and allotment of the Placement Facility shares and options (including adviser options) as approved at Company's 2006 AGM will not occur, however this fundraising will be replaced (and shareholder approval where required sought in February 2007) for the issuance of the share and adviser options outlined in the Capital Raising Program below.

Capital Raising Program

The Program is to be split into three tranches as follows:

	Type	No of shares to be issued	Issue Price	Monies to be raised
Tranche 1	Sophisticated Investor Share Placement A (completed)	6,697,500	\$0.08	\$535,800
Tranche 2	Underwritten Entitlement Issue	25,673,850	\$0.08	\$2,053,908
Tranche 3	Sophisticated Investor Share Placement	12,500,000	\$0.08	\$1,000,000
Total		44,871,350		\$3,589,708

Tranche 1: Share Placement to Sophisticated Investor to raise \$535,800.

The Company is pleased to announce that it has entered into a subscription agreement for the issue of approximately 6.7 million ordinary shares in the Company at an issue price of \$0.08 to raise approximately \$0.5 million with RAB Special Situations (Master) Fund Limited ("RAB") ("**Placement A**"). The issue of these shares has been completed under ASX Listing Rule 7.1 (15% rule).

RAB Special Situations (Master) Fund Limited ("RAB") is a fund managed by RAB Capital Plc.

RAB Capital Plc is a significant London based investment management company specialising in absolute return funds. As at 1 September 2006 RAB Capital Plc had approximately US\$4.2 Billion of assets under management.

Tranche 2: An Underwritten Non-Renounceable Entitlement Issue to raise \$2,053,908;

The Company will be conducting a 1:2 Underwritten Non-Renounceable Entitlement Issue through the issue of 25,673,850 new shares to raise \$2,053,908 ("Entitlement Issue").

The Entitlement Issue will provide those investors recorded on the share register at the record date with the opportunity to subscribe for 1 (one) new share in the Company for

every 2 (two) shares they hold in the Company at that date. The issue price of these new shares will be \$0.08.

The Company is pleased to announce the Entitlement Issue has been fully underwritten by Transocean. Based in Sydney, Transocean is a boutique investment and corporate advisory firm specialising in emerging companies.

The Underwriting is conditional (amongst other matters) upon the Company receiving shareholder approval for all aspects of the Program including the ability for RAB to acquire more than 20% of the issued share capital of the Company (that would normally require them to make a takeover bid for the Company under the Corporations Act) and the Success Fee Options to Transocean.

It is noted that RAB may subscribe for up to 100% of any shortfall that may arise as a result of the Entitlement Issue.

Tranche 3: Share Placement to Sophisticated Investors to raise \$1,000,000.

The Company will seek approval to place up to 12,500,000 new shares at an issue price of \$0.08 to raise a total of \$1,000,000 to clients of Transocean (“**Placement B**”).

Shareholder approval will be sought for the issuance of these shares to RAB as further detailed below.

Application of Funds

It is intended that the proceeds from the Program will be used in accordance with the table set out below:

Use of Funds	Amount (\$)
Establishment of a manufacturing facility in China to provide components and systems used in the business of Orient (Tianjin) Corrosion Engineering Ltd.	500,000
Potential acquisition of entities in the corrosion field and the injection of working capital	750,000
Investigate and develop additional corrosion protection business in the key markets of the Middle East, North Africa and Eastern Europe.	500,000

Investigate and develop a business model able to identify and exploit other opportunities in China, such as dredging and civil engineering.	750,000
For general working capital in relation to contracts in hand and contracts being pursued including the selection and recruitment of additional senior management resources.	689,000
Program costs	400,000
TOTAL	3,589,000

Proforma Capital Structure

Set out below is a schedule of the Pro-forma Shares and Options on issue post completion of the Program.

Shares	Number
Issued Shares at the date of this Announcement	44,650,201
Shares to be issued pursuant to Placement A	6,697,500
Shares offered pursuant to the Entitlement Issue	25,673,850
Shares offered pursuant to Placement B	12,500,000
Total Pro-forma shares on issue post completion of Program	89,521,551
Total Issued Options at Date of this Announcement	38,183,000
Options to be issued to Advisers pursuant to the Program as outlined below	6,000,000
\$0.15	Three Years from Date of Issue
Total pro-forma Options on post completion of Program	44,183,000

Fees to Underwriter and Advisers

The estimated expenses of the Program are as follows:

Item	\$
ASX Fees	10,000
Print and Mailing Expenses	5,000
Legal and Other Advisory Expenses	120,000
Underwriting and Capital Raising Fees	265,000
Total	<u>\$400,000</u>

In addition to the cash fees outlined above Transocean as Joint Corporate Adviser, Lead Manager and the Underwriter to the Entitlement Issue will be issued with 6,000,000 Success Fee Options to purchase shares in the Company. These Options will have an exercise price of \$0.15 and an exercise period of three years from the date of issue.

Shareholder Approval

The Company will seek shareholder approval for the ratification of the shares issued pursuant to Placement A, and will seek approval to issue the shares pursuant to Placement B and the adviser options outlined above.

The Company is in the process of compiling relevant prospectus and meeting documentation and will aim to circulate this material according to the timetable outlined below.

Shareholder approval will be sought for RAB and Transocean to have the ability to acquire more than 20% of the issued share capital of the Company (which would normally require them to make a takeover bid for the Company under the Corporations Act).

Indicative Timetable

Set out below is an indicative timetable of events to enable completion of the Program. The Directors note that these dates are indicative at this stage and may be subject to change.

Completion of Placement A	22 December 2006
Lodgement of Entitlement Issue Prospectus with the ASIC and ASX	22 December 2006
Dispatch of Notice of Meeting and Explanatory Memorandum	8 January 2007
Dispatch of Entitlement Issue Prospectus	8 January 2007
Opening Date of Entitlement Issue	8 January 2007
Record Date for Entitlement Issue	8 January 2007
Extraordinary General Meeting of Shareholders	8 February 2007
Closing Date of Entitlement Issue	15 February 2007
Expected date of Official Quotation of the Entitlement Issue Shares	20 February 2007
Completion of Placement B	within 60 days of the meeting

Those parties that currently hold options to purchase shares in the Company and wish to participate in the Entitlement Issue, should undertake the necessary process to convert these options to shares by the Record Date as the optionholders will not be entitled to participate in the Entitlement Issue.

Summary

The Board believes that it has obtained an attractive and commercial funding package, with benefits including having a large component of the Program underwritten and the introduction of a world leading strategic investor in RAB.

The Company will keep the market fully informed as it completes and distributes all documentation required to complete the Program.

Contacts

Graham Roach
Chief Executive Office
Orient Resource Holdings Ltd
Tel: +61 2 8252 7665
Mob +61 (0) 404 478 727
Email: groach@orientresources.com.au

Grant Freeman
Executive Director
Transocean Securities Pty Ltd
Tel: +61 2 9252 8455
Mob +61 (0) 411 206 170
Email: grant@transoceangroup.com