



Orient Resource Holdings Limited
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22 December 2006

Dear Shareholder,

Orient Resource Holdings Limited (ASX:ORH) on 22 December 2006 announced that it 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 Program will allow the Company to accelerate the expansion of the existing business in Tianjin Port, China, pursue new opportunities in Coa Fei Dian (announced to the ASX on 27 June 2006) and for strategic acquisitions which will further the Company's current expansion plans, and may include the acquisition of a business or businesses in the corrosion engineering field.

The Company's strategy to grow rapidly through a combination of organic growth and acquisition is based on an assessment of the current opportunities in the corrosion engineering field, a review of global demand for these specialist services, and a recognition of the synergies, cost savings and benefits that can be accrued to an operating business when combined with a similar business in a different market.

Transocean Securities Pty Ltd (Transocean") has been retained as Joint Corporate advisers and Lead Manager of the Program. In addition, Transocean have agreed to underwrite the Entitlement Issue component of the Program.

The Program comprises three Tranches as follows:

Table 1: Capital Raising Program

	Type	No of shares to be issued	Issue Price	Monies to be raised
Tranche 1	Sophisticated Investor Share Placement. 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. Placement B	12,500,000	\$0.08	\$1,000,000
Total		44,871,350		\$3,589,708

Components of the Capital Raising Program will require shareholder approval and as such the Company will be requisitioning a meeting of its shareholders in early February 2007.

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.	750,000
Investigate and develop a business model able to identify and exploit other opportunities in China, such as dredging and civil engineering.	500,000
For general working capital in relation to contracts in hand and contracts being pursued including selection and recruitment of additional senior management resources	689,000
Program costs	400,000
TOTAL	3,589,000

This letter further outlines the details of the Entitlement Issue component of the Program and other information as follows.

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 certain parties 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.

The indicative timetable and important dates of the Entitlement Issue and the shareholders meeting are set out below.

Completion of Placement A	22 December 2006
Announcement of Entitlement Issue	22 December 2006
Lodgement of Entitlement Issue Prospectus with the ASIC and ASX	22 December 2006
Shares quoted on an ex-basis	2 January 2007
Dispatch of Notice of Meeting and Explanatory Memorandum	8 January 2007
Opening Date of Entitlement Issue	8 January 2007
Record Date for Entitlement Issue	8 January 2007
Dispatch of Entitlement Issue Prospectus	12 January 2007
Extraordinary General Meeting of Shareholders	8 February 2007
Closing Date of Entitlement Issue	15 February 2007
New shares quoted on a deferred settlement basis	16 February 2007
Entitlement Issue Allotment	19 February 2007
Dispatch of shareholding statements	19 February 2007
Expected date of Official Quotation of the Entitlement Issue Shares	20 February 2007
Expected Completion of Placement B	Within 60 days of Meeting

The Record Date for Entitlement to participate in the Entitlement Issue is 5:00pm (WST), 8 January 2007, and an Entitlement Issue Prospectus will be sent to all investors on 12 January 2007. You will also in coming days be sent a Notice of General Meeting, an Explanatory Memorandum and a Proxy Form for the shareholder meeting.

The Prospectus for the Entitlement Issue contains full details of the Capital Raising Program and will be accompanied by an Entitlement and Acceptance form which will show you how many shares you are entitled to subscribe for under the 1:2 Entitlement Issue.

The Prospectus relating to the Entitlements Issue has been lodged with ASIC and is available on the ASX website at www.asx.com.au and the Company's website www.orientresources.com.au.

The capital structure of the Company on completion of the Entitlement Issue and the Capital Raising Program is set out below:

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		44,650,201
Shares pursuant to Placement A		6,697,500
Shares offered pursuant to the Entitlement Issue		25,673,750
Shares offered pursuant to Placement B		12,500,000
Total Pro-forma shares on issue post completion of Program		89,521,451
Total Issued Options		38,183,000
Options to be issued to Advisers pursuant to the Program.	\$0.15 Three Years from Date of Issue	6,000,000
Total pro-forma Options on post completion of Program		44,183,000

The offer under the Entitlement Issue Prospectus will only be made to shareholders with registered addresses on the record date in Australia and New Zealand.

The Company will keep the market fully informed as it completes and distributes all documentation required to complete the Program. The Directors of the Company encourage you to carefully read the prospectus and shareholder meeting documentation when you receive it and consider an investment in the Entitlement Issue.

For further information please contact Mr Graham Roach, Chief Executive Officer on +61 2 8252 7665.

Yours Sincerely

Graham Roach
Chief Executive Officer