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Company Announcements Platform  
4 April 2007

## MARKET ANNOUNCEMENT

### Orient Resource Holdings Ltd (ASX:ORH)

#### UNDERWRITTEN PLACEMENT TO ADVANCE TIANJIN PORT DREDGING OPPORTUNITY

Orient Resource Holdings Limited ("Orient" or "the Company") is pleased to announce that the Company has agreed the terms of an Underwritten Placement ("the Placement") which when completed will raise \$1.14 Million (excluding costs of the issue). The funds raised from the Placement will enable the Company to further develop its Chinese dredging opportunity ("the Dredging Project" or "Project") as outlined below.

#### 1. The Placement

Orient has entered into an agreement with Transocean Securities Pty Ltd ("Transocean") whereby Transocean has conditionally agreed to underwrite the Placement comprising the issue of up to 11,400,000 new shares in Orient at an issue price of \$0.10 to raise up to \$1.14 million (excluding the costs of the issue).

The Placement will be undertaken pursuant to its capacity under the "15% rule" of Chapter 7 of the Australian Stock Exchange Rules and will be made available to those clients of Transocean that qualify as sophisticated investors for the purposes of the Corporations Act.

#### 2. The Dredging Project

As announced in September of 2006, the Company resolved to pursue the significant dredging opportunities available at several ports in the Bohai Bay region of Northern China. This specific dredging opportunity has been presented to the Company as a direct result of the relationships developed through the Company's excellent performance in establishing and commercializing an internationally accredited corrosion protection business at Tianjin and other ports in Northern China over the past two years.

The Board believes there is the potential for considerable commercial upside to this opportunity. However whilst the Board is confident of ultimate success in the Dredging Project, the Board considers there is currently significant commercial risk associated with the Project, and therefore seeks specific funding by way of this Placement to implement this initial phase.

#### 3. Background to the Dredging Project

A summary of the Project and its material commercial aspects are provided below:

- The rapid expansion of the major port infrastructure in China, together with major reclamation projects in the Middle East, has created a severe world wide shortage of dredging capacity.

- The Company has been offered the opportunity to participate in a dredging project in Northern China, which involves the reclamation of land for the creation of a new industrial, commercial and residential precinct with a development cost in the region of US\$4billion
- It is estimated that the dredging requirements in the Tianjin Port area exceed one billion cubic metres involving the reclamation of more than 150 square kilometers of seafront land. A similar requirement exists at another nearby port in Northern China.
- It is currently envisaged that Orient will hold a 72.5% holding in a Sino Foreign Joint Venture ("JV") and provide 90% of the equity for the JV.
- The Joint Venture Agreement between Orient and its partners for the development of this opportunity is expected to be signed by mid 2007;
- The Project requires the design, construction and ultimate commissioning of up to four cutter suction dredges, each with an estimated output of 2,500 cubic metres per hour . It is planned that this equipment will be fully operational by 2009 .
- The dredges to be acquired are of a proven international design and are currently operating in the Chinese market.
- The JV plans to procure the services of the Dutch dredging group, IHC, to provide specialist hardware and software for the dredger construction and then training and support during and after commissioning of each vessel. A deposit of Euros 400,000 has been paid to IHC to secure the long lead items for the dredgers.
- The JV plans to engage the major Chinese construction group China Harbour Engineering Company (CHEC) to act as Prime Contractor and manage the construction of the dredgers at one of the shipyards in northern China
- The budgeted capital requirement for the Project is A\$110 million, which is based on A\$26 million per dredge and A\$6million for auxiliary equipment. Strong indications for the provision of senior debt of up to 70% have been received from one of the major Chinese banks;
- The Company's total equity funding share for the project is estimated at around A\$30million, with the deposit required on the first two dredgers estimated at A\$10million.
- A firm contract for the dredging and the required Operating License is expected to be secured from the Chinese authorities by mid 2008.
- The Project is seeking the services of an experienced dredging contractor to be involved in the operation.

4. **Dredging Project – Indicative Timetable**

An indicative timeline for the material milestones associated with the Dredging Project is presented below. Please note that these are indicative dates only and the Company reserves the right to revise these dates as further information comes to hand.

<b>DREDGING PROJECT – INDICATIVE TIMELINE</b>						
<b>Activity</b>	<b>Qtr 2 2007</b>	<b>Qtr 3 2007</b>	<b>Qtr 4 2007</b>	<b>1<sup>st</sup> Half 2008</b>	<b>2<sup>nd</sup> Half 2008</b>	<b>1<sup>st</sup> Half 2009</b>
1. Payment to secure long lead items (approx A\$0.7M). <b>Completed</b>						
2. Signing of JV						
3. Issue of Business License						
4. Engage Shipbuilder						
5. Deposit for Dredges 1&2 (approx A\$10M)						
6. Dredging contract						
7. Deposit Dredge 3 (approx A\$5M)						
8. Deposit Dredge 4 (approx A\$5M)						
9. Completion Payments, incl shore based hardware (approx \$15M)						
10. Construction completion and Commissioning of Dredges						
11. Obtain Operating License						

5. **Application of Funds**

It is intended that the proceeds from the Placement will be applied as follows:

<b>Use of Funds</b>	<b>Amount (\$)</b>
Costs associated with establishing the JV and part contribution to initial deposits required for the Dredging Project	1,065,000
Placement costs	75,000
<b>TOTAL</b>	<b>1,140,000</b>

## 6. Pro-forma Capital Structure

The Pro-forma Shares and Options on issue post completion of the Placement are as follows:

<b>Shares</b>	<b>Number</b>
Issued Shares at the date of this Announcement	89,521,451
Shares to be issued pursuant to <b>Placement</b>	11,400,000
<b>Total Pro-forma shares on issue post completion of Program</b>	<b>100,921,451</b>
<b>Total Issued Options at Date of this Announcement</b>	<b>45,683,000</b>

## 7. Future Funding

The Company is currently investigating various options in regard to the balance of the equity funding required for the Project and has had "in principle" discussions with certain debt providers surrounding the project finance component of the overall funding. The Company will need to raise approximately A\$10 million by way of equity by mid year and as such, a General Meeting of all Shareholders is planned for mid June 2007. The Explanatory Memorandum for the General Meeting will also present details of a share option program for Directors and advisors.

## 8. Path Forward

The Board believes that the Dredging Project is an exciting opportunity for the Company and that it is well placed to leverage off its experience and existing network within China. The Board also acknowledges that there are numerous risks associated with the Project and a number of key commercial milestones are still to be achieved.

The Company has put in place a strategy to complete these milestones in a logical manner and will keep the market fully informed as it progresses this opportunity.

Please feel free to contact the Company in regards to this announcement.

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