



10 July 2008

Company Announcements Office  
Australian Securities Exchange  
Level 4, Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir,

### **ORIENT SIGNS SALE AND PURCHASE AGREEMENT TO ACQUIRE RIDWEST GROUP**

The Board of Orient Resources Holdings (ASX:ORH) is pleased to announce the signing of a conditional Sale and Purchase Agreement for the acquisition of the mining services and engineering companies comprising the Ridwest Group of Companies ("Ridwest Group"). Joshua Ridley and his associated entities ("Ridley") and Indian West Pty Ltd are the vendors of the Ridwest Group. As previously announced, Orient already beneficially owns 9.29% of Ridwest Group.

#### **Sale and Purchase Agreement Highlights**

- Subject to satisfaction of all conditions, Orient will issue 126.2 million shares at a deemed issue price of 11.5 cents per share to the vendors, including 69.6 million shares to Ridley (29.6 million of which are contingent on the audited financial performance of the Ridwest Group for the financial year ending 30 June 2009).
- Total Transaction Value \$14.5 million for 90.71% of the Ridwest Group (9.29% of the Ridwest Group being already beneficially owned by Orient, as previously announced) with a requirement that the Ridwest Group has at Completion of the transaction a net asset position being no less than \$6 Million.
- Orient has 42 days to complete due diligence on the Ridwest Group.
- Completion is conditional upon (among other things) regulatory (if necessary) and shareholder approvals and Orient raising a minimum of \$1.9m net of fees either as debt or equity.
- Extraordinary meeting of Orient planned for Q4, 2008 to seek the required shareholder approvals.

Mr Ramesh Kana, ORH Chairman said, "We are very pleased to announce the signing of the Sale and Purchase Agreement for the acquisition of Ridwest Group. We believe the combination of the existing Orient Corrosion Protection Business and Ridwest Group's business will offer a great opportunity for Orient, its shareholders and the vendors of the Ridwest Group. The ability to grow the business in both Australia and China is very exciting."

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Orient will, subject to the necessary shareholder approvals and satisfaction of conditions precedent acquire Ridwest Group based on a total equity value of \$16 million. Orient currently owns 9.29% of the Ridwest Group through a secured hybrid convertible loan made in February 2008.

Orient will acquire the remaining 90.71% of Ridwest Group through the issue of 126.2 million shares at a deemed issue price of 11.5 cents per share for a total consideration of \$14.5 million. Of the shares issued, 69.6 million will be issued to Ridley, of which a total of 29.6 million are dependent upon Ridwest Group's financial performance for the 2008/09 year. Ridley will receive 5.913 Orient shares for every \$1.00 of Net Profit After Tax of the Ridwest Group for that period, up to a maximum of 29.6 million shares, if Ridwest Group achieves NPAT of \$5 million or greater.

Joshua Ridley has also agreed to a voluntary escrow in respect of 40 million of the shares (which are not subject to financial performance) for 12 months from completion of the transaction.

Orient now has a 42 day period to finalise all due diligence matters associated with the acquisition and to prepare documentation for ASIC, ASX and shareholder approval.

Orient also confirms that on or about the date of this announcement, Ridley will advance to Orient a \$2million loan, pursuant to a loan agreement and accompanying subscription agreement between the parties, as announced by Orient on 13 June 2008. Orient will, subject to shareholder approval and by way of conversion of the loan, issue to Ridley 17.4 million shares (at a deemed issue price of 11.5 cents) and 8.7 million options (for nil additional consideration, with an exercise price 11.5 cents, exercisable for 3 years), as also announced by Orient on 13 June 2008. This issue of securities to Ridley (if approved by shareholders) will be on the same terms as the \$1.035 million raising completed by Orient on 13 June 2008 (and announced on that date).

As previously announced, Transocean Securities is acting as corporate advisors to Orient in connection with this transaction, and as previously disclosed (on 9 May 2008), will, upon completion of the Ridwest Group transaction (and obtaining of appropriate shareholder approvals), be issued as consideration for these services:

- approximately 6.3 million Orient shares (representing the agreed fee of 5% of the total Ridwest Group transaction value); and
- 10 million options exercisable at 15 cents per share on or before 30 June 2011.

Ridwest Group has a profitable history of providing engineering, contracting and plant hire services to the mining and transport industries in Western Australia. Ridwest Group has established operating bases in both Port Headland and Karratha, which are ideally located to service the booming iron ore industry and associated infrastructure in the Pilbara region.

Orient has a profitable engineering business based in northern China, in partnership with the Port of Tianjin, which has recently been expanded to become the sixth largest port in the world. Orient has completed a number of significant corrosion engineering projects in China in both the marine and transport areas and it recently won an international public tender (the largest of its type let in China) for the corrosion protection of the 28km long Qingdao Bay Cross Sea bridge.

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The Board of Orient has identified numerous synergies between the engineering skills and services offered by Ridwest in Western Australia and the skills and services offered by Orient's existing engineering business in China.

Yours faithfully  
Orient Resource Holdings Limited



Geoffrey Hann  
Company Secretary

#### **About Orient Resources Holdings**

Orient's strategy is to identify demand for industrial services (in particular corrosion protection and prevention) within the world's fastest growing economies including China, North Africa and the Middle East and provide a world's best practice solution to this demand. The Company is currently operating successfully in China. Since listing on the Australian Stock Exchange (ASX) on 12 May 2005, Orient has established an extensive network of senior government and industry contacts in China, and continues to seek out, assess and report on opportunities that meet the Board's target criteria for investment in China.