



3 July 2009

Companies Announcement Office  
Australian Securities Exchange  
Level 4, Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

### **UNDERWRITTEN \$3.0 MILLION CONVERTIBLE NOTE RAISING**

The Board of ORH Limited (ORH) is pleased to announce that it has entered into an underwriting agreement with Transocean Securities Limited for the issue of \$3.0 million in Convertible Notes with proceeds to be received prior to 31 July 2009.

The key terms of the secured convertible note raising are summarized as follows:

- The Convertible Notes will have a term of three years from the Issue Date
- The Convertible Notes will attract an interest rate of 12.5% per annum. Interest is calculated daily payable on the face value quarterly in arrears on the last day of each month, until the earlier of conversion or redemption of the Convertible Notes. However, the interest is only payable as cash flows allow or if unpaid then capitalized monthly. Non-payment of interest does not constitute an event of default.
- The Convertible Note holders may elect to convert some or all of their Convertible Notes into Shares by giving a conversion notice to the Company at any time, and that conversion will be effective five Business Days after the Company receives the conversion notice. The Conversion Price is 80% of the volume weighted average price of Shares on the ASX during the 30 Business Days immediately preceding the Conversion Date. On the maturity date, the Convertible Notes must be redeemed by the Company paying to the Convertible Note holders the Face Value of the Convertible Notes (together with all accrued but unpaid interest), unless the Convertible Note holders have elected to convert their Convertible Notes into shares. On the occurrence of a default event under the Trust Deed, if required by the Trustee under terms of the Trust Deed, the Company must redeem all Convertible Notes on issue by paying to the Convertible Note holders the Face Value of the Convertible Notes together with all accrued but unpaid interest on those Convertible Notes at the date of redemption.
- Until conversion or redemption, the Convertible Notes are secured debt obligations of the Company and rank behind the senior secured debt but ahead of other ordinary unsecured creditors in relation to repayment of the Face Value and interest. Each share issued on conversion of a Convertible Note will rank equally with all existing shares on issue.

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- Any new issue of shares or securities must be approved by the holders of the convertible notes. Further, in the event of a re-organization of the capital of the Company, the rights of a Convertible Note holder will be changed (as appropriate) in accordance with the Listing Rules applying to a reorganization of capital and convertible note securities, at the time of the reorganization.
- Any change to the rights of the Convertible Note holder will:
  - have the effect that the Convertible Note holders do not receive a benefit that the holders of the Shares do not receive, except as permitted by the Listing Rules; and
  - not have an effect which is materially prejudicial to the interests of the Convertible Note holders.

Except in the circumstances required by the Listing Rules or the Corporations Act, Convertible Note holders will not be entitled to receive notice of or to vote at general meetings of the Company.

Proceeds from the convertible note fundraising will be used to:

- Provide ORH funding for working capital to meet immediate growth requirements in the manufacture of water carts and service trucks; and
- Provide “headroom” in ORH debt facilities in a period of economic uncertainty.

The Board of ORH is also pleased to announce that it has entered into formal discussions with Helmsman FundsManagement Limited (HFML) to recapitalize the company and support ORH’s growth opportunities.

HFML is a special situation investor that has raised over \$140 million from institutional and sophisticated investors to provide a combination of turnaround capital and restructuring expertise in Australia and New Zealand.

HFML has agreed to work with ORH management over the next few weeks to enable HFML to undertake more detailed due diligence and negotiate the terms of a proposed recapitalisation of ORH, which may include participation in this convertible note raising.

Yours faithfully

A handwritten signature in black ink, appearing to read 'G Hann', written over a horizontal line.

Geoffrey Hann  
Director

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