



9 February 2010

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

Dear Sir

**ORH LIMITED: AGREES TO PURCHASE RESCO GROUP OF COMPANIES**

- **ORH signs term sheet to acquire ResCo group of companies**
- **ResCo is one of Australia's fastest growing providers of resource operations and maintenance services to the mining industry**
- **Post acquisition annualised combined revenues expected to be approximately \$170 million**
- **Significant synergies through interstate expansion of merged business**
- **Transaction completion expected by May 2010**

The Board of ORH Limited (**ASX:ORH**) is pleased to announce the signing of a conditional binding term sheet (**Term Sheet**) to acquire mining services company, ResCo Services Pty Ltd (**ResCo**) and its related company Springsure Mining Pty Ltd (**Springsure**) (together **ResCo Group**).

**Term Sheet Highlights**

- Subject to the signing of a formal share sale agreement and satisfaction of all conditions precedent, ORH will issue 369 million shares to the shareholders of ResCo Group.
- Both parties have 30 days to complete due diligence.
- Completion is conditional upon (among other things) regulatory and shareholder approvals and ORH raising a minimum of \$22 million which will be applied primarily for debt reduction across the Resco Group.
- General meeting of ORH planned for May 2010.
- Head office to be relocated to Newcastle.

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Mr Domenic Martino, ORH Chairman said “we are delighted to announce this transaction. We believe the combination of the ORH and ResCo Group of companies will create significant synergies for growth and create a competitive business servicing the resources industry across Australia.”

### **ResCo Group and Acquisition Synergies**

The ResCo Group has established operations across 11 locations in New South Wales and Queensland and provides a comprehensive range of mining services including skilled labour, specialised operations on mining sites, maintenance of plant and equipment, engineering services and the provision of critical spares and consumables.

Mr Craig Ransley, Chairman of the ResCo Group said “this transaction allows us to grow the merged business through an expanded service-offering to our existing clients as well as growing our geographic reach. We expect this transaction will be positively received by our clients.”

The ResCo Group comprises six major businesses/assets:

- **ResCo Engineering** - Provides managed project installation, shutdown maintenance, contract maintenance, mining equipment refurbishment and both small and large scale fabrication works. (Employs around 240 personnel.)
- **ResCo Underground** - Provides secondary support services to underground coal mines – surface and in-seam drift development, roadway development, ventilation, roof-bolting, silica resin injection for cavity filling and ground stabilization. (Employs around 250 personnel.)
- **ResCo Open Cut** - Provides excavation, earthworks, mine-site rehabilitation, coal handling and stockpile enhancement services in open cut mines in the Hunter Valley of NSW. (Employs around 50 personnel.)
- **ResCo Vehicle and Plant Services** - Provides mechanical and electrical maintenance of mining vehicles including trucks, forklifts, water pumps and 4WD vehicles. (Employs around 85 personnel.)
- **ResCo Labour and Training** - Provides mining and industrial labour and training services to coal mines in the Hunter Valley. (Employs around 400 personnel).
- **Springsure** - Has applied for an Exploration License (EPC 1674) from the Queensland Government for an export thermal coal resource located in the Bowen Basin, one of the largest coal producing regions in the world. The Springsure strategy involves the development (in conjunction with other parties) of EPC 1674 with a key focus being on the establishment of an on-site Coal Mining Centre of Excellence to facilitate the training and development of qualified mine workers for the Resco Group to ensure continuity of workforce

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into the future for Resco and its expanding client base. This business, subject to all necessary approvals and funding, is expected to take around 3 years to be developed.

The ResCo Group's clients include Rio Tinto, Anglo Group, Xstrata Coal and other major coal industry participants.

The ResCo Group was established in 2007 and has grown through a series of acquisitions over the last two years. Its revenues for the year ended 30 June 2009 totalled \$122 million and since that time the ResCo Group has been awarded a number of new contracts.

The Board of ORH expects that the acquisition of the ResCo Group will provide a range of synergies to both businesses. ORH businesses, including the proposed acquisition of the Enmac Group of Companies, provide similar or complementary services in Western Australia as major segments of the ResCo Group. The rationale for the acquisition includes the following:

- Allows ORH to expand its businesses, particularly the engineering business, geographically into New South Wales and Queensland. In this regard it is planned that some of ORH's products will be produced directly in ResCo's existing facilities. ResCo expects there to be a ready market for ORH's products.
- Provides a base for ResCo to expand its business into the growing Western Australia mining industry, including being able to leverage goodwill from their existing national and global clients. ORH's network will also assist in this expansion.
- Share industry and operational expertise to facilitate more efficient business practices.
- Merge similar businesses to provide a national service offering and achieve operational efficiencies.
- Provide some diversification of revenue and risk within both businesses through additional industry and geographic segments.
- Result in a larger, more robust business model, including through the reduction of debt.

#### **Key Terms of Proposed Acquisition of ResCo Group**

ORH, the ResCo Group and key majority vendors of the ResCo Group have entered into a conditional binding Term Sheet under which they have agreed to certain undertakings and arrangements to facilitate the acquisition by ORH of the ResCo Group (**ResCo Acquisition**). Subject to satisfactory due diligence by all parties, a formal Share Sale Agreement is expected to be entered into by early April 2010.

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The total consideration for the acquisition of the ResCo Group will be the issue of 369,074,677 ordinary fully paid shares (being equivalent to the current issued capital of ORH together with the 4 million shares to be issued shortly to the vendors of the Enmac Group of Companies (refer ORH announcement dated 6 November 2009)).

The proposed ResCo Acquisition is conditional on, amongst other things:

- i) each of ORH and the ResCo Group being satisfied with the results of their respective due diligence enquiries;
- ii) all shareholders in ResCo Services Pty Ltd and Springsure Mining Pty Ltd (other than key majority vendors who have already agreed to the transaction) agreeing to the sale;
- iii) execution of a formal Share Sale Agreement;
- iv) ORH raising a minimum of \$22 million which will be applied primarily for debt reduction across the Resco Group;
- v) ORH shareholder approval;
- vi) any other regulatory approvals or consents and there being no regulatory action;
- vii) no material adverse change in relation to the business, assets, liabilities or financial condition of the ResCo Group or ORH; and
- viii) all required approvals in relation to any material contracts of ORH or the ResCo Group which may be required due to the change of shareholding of ORH or the ResCo Group (as applicable).

Transocean Securities Pty Ltd has been appointed by ORH to act as its corporate adviser for the transaction.

Stonebridge Securities Limited has been appointed as advisers to the ResCo Group.

#### **Post Completion Board and Management Structure**

Post the ResCo Acquisition, the Board of ORH will benefit from the skills and international experience of the combined management teams.

The Board of the ORH will comprise at least two representatives from each of ORH and the ResCo Group. Mr Dominic Martino will continue as Non Executive Chairman of the post acquisition company, Mr Craig Ransley will be Non Executive Deputy Chairman and Mr Andrew Poole will be a Non Executive Director. Geoffrey Hann will continue as a Director in a Non-Executive capacity.

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The Company will initially be led by Geoff Fardell as Chief Executive Officer and the Company's head office will be relocated to Newcastle, Australia. Mr Fardell is the current Chief Executive Officer of ResCo (appointed 24 December 2009) and is an experienced company executive with over 25 years commercial, operational and financial experience across a number of large organisations in different industries and countries. Prior to joining ResCo Geoff has been a business consultant working with large corporate clients, and was the CFO of former ASX listed Coates Hire Limited for close to 6 years during which time the company grew significantly, undertaking over 25 acquisitions, prior to being taken over in January 2008 for an enterprise value in excess of \$2B. Geoff holds a BA (Economics) degree, is a qualified chartered accountant, chartered secretary, and a Member of the Australian Institute of Company Director's. Subject to shareholder approval, ORH will be renamed ResCo Limited.

#### **ORH capital raising update**

ORH recently completed a \$4.5 million capital raising in two tranches in late 2009 and January 2010 (**Placement**) and is in the final stages of completing the acquisition of the Enmac Group of Companies pursuant to which it will issue 4 million shares and 2 million options as consideration. In addition to the \$22 million planned capital raising, which is a condition of the proposed ResCo Acquisition, ORH intends to raise up to \$1.5 million for working capital by an offer to its shareholders of the opportunity to participate in a share purchase plan for each shareholder to acquire up to \$5,000 worth of shares at the same price (\$0.034 per share) as offered to places in the Placement. The Company is progressing the share purchase plan and will provide a further update to shareholders shortly.

Yours faithfully,

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

Geoffrey Hann  
Managing Director  
ORH Limited

For further information, please contact:  
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