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18 December 2014

Dear Sir/Madam

Pump Services, LLC – on-market takeover bid for Resource Equipment Limited ACN 098 812 492

We act for Pump Services, LLC (**Pump Services**) in relation to its proposed on-market takeover bid for all of the shares in Resource Equipment Limited ACN 098 812 492 (**Takeover Bid**).

Attached is an announcement by Bell Potter Securities Limited, broker to the Takeover Bid.

Yours faithfully



Aaron Kenavan
Partner



Joseph Lam
Lawyer

Encl.

BY FACSIMILE 1300 135 638

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**ASX ANNOUNCEMENT
For immediate Release to the market**

**Pump Services, LLC on-market takeover bid for all ordinary shares in the capital of
Resource Equipment Ltd ACN 098 812 492**

Bell Potter Securities Limited (the **Bidder's Broker**) announces that the Bidder's Broker will, on behalf of Pump Services, LLC (**Bidder**), an entity controlled by Loddie Naymola, pursuant to section 635 of the Corporations Act 2001 (Cth) (**Corporations Act**) offer to acquire on market at a price of \$0.26 per share (**Offer Price**), all of the fully paid ordinary shares (**RQL Shares**) in the capital of Resource Equipment Ltd ACN 098 812 492 (**RQL**) which are listed for quotation on the official list of the Australian Securities Exchange (**ASX**) that exist or will exist including as a result of the exercise of existing options or performance rights at any time during the Offer Period (as defined below) (**Offer**).

From the date and time of this announcement and ending at close of trading on ASX on 3 February 2015 (unless the Offer is withdrawn or extended in accordance with the Corporations Act), the Bidder's Broker (on behalf of Bidder) will accept at the Offer Price every RQL Share offered to the Bidder's Broker on market, up to a maximum of 444,392,258 RQL Shares (being all the RQL Shares currently on issue) plus any additional RQL Shares which are issued during the Offer Period.

The RQL directors have unanimously recommended that holders of RQL Shares (**Shareholders**) accept the Offer in the absence of a superior proposal. Keith Lucas and Peter Hutchinson (each a director of RQL) have each advised REL and Bidder that they will accept the Offer in respect of the RQL Shares held or controlled by them.

Terms of the Offer

As the Offer is an on-market bid, it is unconditional and payment of the consideration will be by way of cash.

The key features of the Offer are:

- it is an on-market, unconditional offer of \$0.26 per RQL Share;
- the Bidder's Broker will accept RQL Shares offered to it on-market from today at the Offer Price until the conclusion of the Offer Period; and
- the Offer Period may be extended and the Offer Price may be increased or the Offer withdrawn in accordance with the Corporations Act.

Acquisition from Announcement

Bidder has appointed the Bidder's Broker to purchase all RQL Shares that exist or will exist from today until the conclusion of the Offer Period on its behalf on market during the official trading days (**Trading Days**) of ASX. The Bidder's Broker has been instructed to purchase, at the Offer Price, every RQL Share offered for sale during the Trading Days in the period from the date of this announcement until the end of the Offer Period subject to the Corporations Act.

Settlement and Brokerage

Payment for RQL Shares sold to Bidder under the Offer will be made on a T+3 settlement basis in accordance with the usual ASX Settlement Operating Rules for ASX trading.

The Offer will only be capable of acceptance by Shareholders selling through brokers which are participating organisations of ASX. All RQL Shares to be purchased by Bidder under the Offer will be purchased on-market only during Trading Days.

Any brokerage charged by brokers acting for Shareholders wishing to sell their RQL Shares will be the sole responsibility of those Shareholders.

Offer Period

The Bidder's Broker will stand in the market on behalf of Bidder and accept RQL Shares offered to it at the Offer Price from the date of this announcement. However, the Offer will be made during the period commencing 2 January 2015 (being the first trading day after the end of 14 days after the date of this announcement) and ending on 3 February 2015 (**Offer Period**) unless extended by Bidder pursuant to the Corporations Act.

Bidder reserves the right to withdraw unaccepted Offers in the circumstances permitted by, and in accordance with, Part 6.7 of the Corporations Act, at any time before the end of the Offer Period.

Bidder's Statement

In accordance with section 635 of the Corporations Act, a Bidder's Statement will be served on RQL and lodged with each of the ASX and Australian Securities and Investments Commission today. A copy of the Bidder's Statement will also be sent to Shareholders before commencement of the Offer Period.

RQL Shares

The RQL Shares which are the subject of the Offer are all fully paid ordinary shares in the capital of RQL, which are on issue at the date of the Bidder's Statement and such other shares which are issued before the end of the Offer Period. Immediately before making this announcement:

- in so far as Bidder is aware, there are 444,392,258 RQL Shares on issue, all of which are quoted on ASX; and
- Bidder has a relevant interest in 56,468,663 RQL Shares which are owned by Mr Naymola, which represent approximately 12.71% of all RQL Shares on issue in the capital of RQL. Messrs Lucas and Hutchinson have each advised REL and Bidder that

they will accept the Offer. To the extent that this gives Bidder a relevant interest in Messrs Lucas' and Hutchinson's REL Shares, this would take Bidder's relevant interest to 84,054,689 REL Shares, representing approximately 18.91% of all RQL Shares on issue.

Signed for and on behalf of Bell Potter Securities Limited

A handwritten signature in black ink, appearing to be 'AP', with a horizontal line underneath.

Alastair Provan
Managing Director