

GOLDSEARCH LIMITED

25 November 2014

## **National Health Services Acquisition of Galen & Gray**

Goldsearch Limited (ASX: GSE) is pleased to announce that National Health Services Pty Limited (NHN) has executed a binding sale and purchase agreement with Sydney based occupational health services company Galen & Gray Pty Limited (Galen & Gray).

As previously announced on 8<sup>th</sup> October 2014, Goldsearch has an agreement with NHN to acquire 100% of the shares in NHN. On completion of this transaction GSE shareholders will hold 20% of the combined entity and NHS shareholders will have 80% of the shares in the combined entity.

NHN will acquire Galen & Gray in a cash and share transaction with the share component being based on achievement by Galen & Gray of an agreed level of EBIT and satisfied by the issue of GSE shares following the merger with GSE.

The binding agreement with Galen & Gray satisfies one of the three conditions precedent to the agreement between NHN and GSE. The remaining two conditions are:

- An independent experts report stating that the GSE acquisition of NHN is fair and reasonable and confirmation from the ASX that GSE has complied with Chapters 1 and 2 of the ASX Listing Rules.
- Approval by the shareholders of GSE.

In addition GSE must make reasonable endeavours to maintain an agreed cash level of \$500,000 with current liabilities of no more than \$50,000 at the time the shares are issued following shareholder approval. Financial and legal due diligence has commenced but remains to be completed by both parties. The binding agreement that NHN has now concluded with Galen & Gray is an important step forward on the path to NHN becoming a significant player in the fast growing occupational health sector prior to it seeking a listing through the merger with GSE.

GSE Chairman Mr Terry Willsteed said *“Galen & Gray is a highly regarded, established occupational health company and a key factor in our decision to progress a transaction with NHN. We are delighted that the agreement with Galen & Gray has now concluded bringing GSE one step closer to our objective of entering the healthcare services sector”*. He went on to say, *“The Board of GSE is committed to transitioning its operations into the healthcare services sector where it sees the ability to deliver sustainable and growing cash flows over the longer term. Investors are actively seeking out opportunities to gain exposure to this*

*dynamic sector and there is considerable market interest in emerging healthcare plays. Occupational health is an exciting niche within the industry where there is the potential to develop a business with a national footprint and a full service offering to major corporates and insurers.*

*GSE Executive Director John Percival said. "The Galen & Gray transaction together with GSE's recent agreement with telemedicine company Ring MD of Singapore is a further exciting step forward in GSE's corporate development. We look forward to progressing the merger with NHN as rapidly as possible now that the Galen & Gray transaction has concluded ahead of our initial timing expectations"*

GSE and NHN are seeking to complete a transaction as soon as possible.

For more information on this transaction please contact John Percival Executive Director

John Percival  
Executive Director  
612 9 241 5999