



About HRL

HRL Holdings Limited is currently an Australian geothermal energy company. HRL Holdings Limited is in the process of seeking shareholder approval to become a conglomerate business allowing for the Company to hold interests in a diverse range of industries and to implement a strategy of growing revenue and profit by both organic growth and acquisition in a strongly growing hazardous material management sector. HRL will continue to look at cost effective ways to advance its geothermal projects.

About OCTIEF

OCTIEF is an Australian multidisciplinary consulting group specialising in helping organisations maintain Environmental and Occupational compliance, and manage related risks. OCTIEF offers industrial hygiene, asbestos and hazardous materials management, environmental services (air, water & soil including contaminated land), greenhouse gas emissions assessments, energy use assessments and building contamination.

Registered Office

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Directors

Kevin Maloney
Darren Anderson
Mark Elliott
John Taylor

Highlights

- Acquisition of Precise Consulting and Laboratory Limited announced
- Capital Raising announced to raise up to \$1.5M.
- Appointment of John Taylor to the Board and Steven Dabelstein as CEO
- Company renamed HRL Holdings Limited

Proposed Acquisition of Precise Consulting and Laboratory

As announced on 24 December 2014, HRL has entered into Share Sale Agreement with the shareholders of Precise Consulting and Laboratory Limited (Precise Consulting) to acquire all of the issued capital in Precise Consulting.

Operating out of Christchurch, New Zealand, Precise Consulting offers a number of services to assist companies with the identification and remediation of risks posed to health and safety of both humans and the environment.

Precise Consulting provide a range of services and analysis including:

- contaminated land analysis;
- soil sampling;
- dust monitoring;
- air quality monitoring; and
- asbestos auditing and building contamination assessment.

These studies are carried out in laboratories accredited by IANZ, which is part of the Testing Laboratory Registration Council and New Zealand's premier accreditation body.

Precise Consulting also offers a number of specialised environmental services, including the identification, monitoring and testing of asbestos materials and other occupational hygiene issues.

Shareholders can learn more about Precise Consulting by visiting its website at www.preciseconsulting.co.nz.

Proposed Acquisition of Precise Consulting and Laboratory (continued)

In consideration for all of the Sale Shares, the Company will pay a maximum purchase price of NZD\$7,500,000 to the Sellers.

The Purchase Price will be paid as follows:

- a) partial payment on completion of the Precise Consulting Acquisition of NZD\$5,000,000 in cash; and
- b) earn-out consideration of up to NZD\$2,500,000.

The amount of earn out consideration would be calculated based on Precise Consulting's earnings before interest and taxes (EBIT) for the year 1 January 2015 to 31 December 2015.

The following framework for the amount of earn-out consideration to be paid to the Sellers has been agreed:

EBIT	Earn Out Consideration
Less than \$1.9 million	Nil
\$1.9 – 2.1 million	\$700,000
\$2.1m to \$2.3 million	\$1,300,000
\$2.3m to \$2.5 million	\$1,900,000
More than \$2.5 million	\$2,500,000

One third of any earn-out consideration will be paid in early 2016. Payment of the remaining two thirds of the earn-out consideration would be paid in 24 equal monthly instalments from February 2016 onwards.

Payment of the earn-out consideration is contingent on the current owner Mr Andre Halkyard's ongoing service with Precise Consulting. Mr Halkyard will remain as General Manager of Precise Consulting for a minimum period of three years after acquisition. In the situation where Mr Halkyard's employment is terminated prior to the minimum three year period, the earn-out consideration will be reduced proportionately to the length of time not employed.

Completion of the Precise Consulting Acquisition is conditional on a number of factors, including:

- all necessary ASX and ASIC approvals, waivers and confirmations being obtained by HRL in respect of the Precise Consulting Acquisition;
- all necessary board and shareholder approvals being obtained by both HRL and Precise Consulting in respect of the Precise Consulting Acquisition;
- HRL obtaining finance for payment of the Purchase Price;
- Precise Consulting having a minimum working capital position of NZD \$100,000 as at the date of completion of the Precise Consulting Acquisition.

Capital Raising Offer of up to \$1.5M

The Company has announced a General Public Offer of up to \$1.5M.

The funds raised from the offer and existing cash on hand will be used to partly fund the completion of the acquisition of Precise Consulting.

A prospectus will be dispatched to shareholders and available to investors in the coming days.

Board and Executive Changes

Appointments

The Board of HRL was pleased to welcome Mr John Taylor to the Board as a non-executive Director and Mr Steven Dabelstein as CEO.

Mr John Taylor

Mr Taylor is the founding partner of Taylors Solicitors, Mackay, a Senior Counsellor of the Queensland Law Society and has over 30 years' experience in commercial and property transactions and litigation.

John Taylor was, from 2006 to 2010, a director of ASX listed The Mac Services Group Limited where he was Chair of the Remuneration and Nomination Committee and a member of the Audit and Risk Management Committee. He is also a former Chair of the Mackay Port Authority and a Board member of Tourism Mackay and Mackay Regional Economic Bureau.

Mr Steven Dabelstein

Mr Dabelstein has a strong financial and operational background in various roles, including most recently as General Manager Commercial and Qld Mining/Maintenance Services with Diversified Mining Services Limited.

Mr Dabelstein's experience includes public practice accounting, manufacturing, service and the construction industries. Previous roles have provided exposure to large-scale international businesses reporting through and working with companies in the US, Asia and Europe.

Resignations

During the quarter Mr Peter Barnett resigned from the Board. Peter was a valued member of the Board and had served as Chief Operating Office and Managing Director since joining in late 2007 and the Board thanks him for his service and support.

Name Change

At the recent AGM shareholders approved the change of the Company's name to HRL Holdings Limited. This new name will better reflect the expanded nature of the company and as part of a restructure of its operations into separate business divisions.

Second Quarter Trading Update

OCTIEF's trading conditions were subdued in the second quarter with limited activity from the public sector. OCTIEF's revenue generated during the second quarter remained consistent with management's expectations. The Company expects revenue to increase in the coming 6 months as activity in the area of public works begin to increase.

OCTIEF expanded operations into New Zealand for the first time during the quarter, undertaking asbestos audits for the University of Canterbury. The New Zealand market offers a strong growth opportunity for the HRL Group and the Precise Consulting acquisition will give HRL an immediate established presence in the region.

The Company's half year financial statements will be released shortly.

Geothermal

A Government imposed moratorium is currently in place on onshore gas exploration in Victoria. As a result of this moratorium, HRL is currently not in a position to pursue drilling programs on its GEPs in the Otway Sedimentary Basin of Victoria and the tenements are on a care and maintenance program.

Upcoming Extraordinary General Meeting

ASX have advised that the acquisition of Precise Consulting must be considered in aggregate with the previous acquisition by HRL of OCTIEF. As such, the Precise Consulting Acquisition, considered along with the OCTIEF Acquisition results in a significant change in the nature and scale of HRL's activities. ASX therefore requires HRL to obtain Shareholder approval for the purposes of Listing rule 11.1.2, as well as re-comply with Chapters 1 and 2 of the Listing Rules pursuant to Listing Rule 11.1.3.

The Company advises that an Extraordinary General Meeting will be held in Brisbane on 25 February 2015 and that the Shareholder documents for the meeting have been dispatched. Matters that will be considered include:

- Change in nature and scale on HRL's activities
- Approval of the Precise Consulting acquisition
- Consolidation of share capital
- Approval of the capital raising
- Approval for Director participation in the capital raising.

The Board encourages all shareholders to attend and to vote on the resolutions.

CORPORATE DIRECTORY

Board of Directors - HRL

Kevin Maloney	Non-Executive Chair
Darren Anderson	Executive Director
Mark Elliott	Non-Executive Director
John Taylor	Non-Executive Director

Company Secretary

Paul Marshall

Issued Share Capital

HRL has 1.009 billion ordinary shares currently on issue and 21 million options.

Share Registry

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Please direct shareholding enquiries to the share register.