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## ASX Announcement

11 February 2016

### Precise Consulting Expands Service Offerings and Geographic Presence

HRL Holdings Limited (ASX: HRL) (**HRL** or the **Company**) is pleased to announce that its wholly owned New Zealand subsidiary Precise Consulting and Laboratory Limited (**Precise**) is expanding its services to include property contamination testing and work place drug testing.

To accelerate this expansion Precise has entered into an agreement to purchase the business assets of RJL & Associates Limited (**RJL**) for \$0.5M NZD. RJL are located in the Palmerston North region of the North Island. The RJL team are well respected in their discipline and Precise has offered ongoing employment to all existing RJL staff.

Existing Precise and RJL staff will be crossed trained in the new disciplines as soon as possible.

#### Property Contamination Testing

Clandestine Methamphetamine Laboratories or “Clan Meth Labs” are a growing problem in New Zealand. With only a fraction of Clan Meth Labs discovered by authorities, the vast majority may be left undetected for years posing significant health risks to current and future tenants. Contamination is not just limited to Clan Meth Labs. Heavy methamphetamine (**Meth**) consumption and distribution can contaminate a premises to a similar level.

Methamphetamine can contaminate a variety of surfaces, furnishings, insulation and drainage systems. Contaminants pose significant health hazards to people and animals exposed to them.

To mitigate this risk, the New Zealand Government has introduced legislation that placed an obligation on landlords to provide a property to a tenant in a reasonable state of cleanliness. If landlords rent out a property that is contaminated by Meth, they are breaching their obligations under the Residential Tenancies Act 1986, as well as other legislation such as the Building Act and the Health Act. This legislation has created substantial demand for pre-tenancy testing for Meth. Depending on initial indications of contamination, more rigorous follow up testing and/or remediation procedures may be required.

Precise will offer a range of Property Contamination Testing services including:

- Screen testing of properties for Meth contamination
- IANZ accredited laboratory analysis
- Review by independent (BSc) scientific consultant
- Pre and post remediation examinations and advice on health risks
- Reports to Landlords, Councils and Insurance companies
- Other services include testing for precursors, volatile organic compounds, soil testing, heavy metals, and mould.



### **Work Place Drug Testing**

Similar to Australia, New Zealand employers have a responsibility under the Health and Safety regulations to take all practicable steps to make the workplace safe for employees and people in and around the workplace. An employee impaired by alcohol or drugs is defined as a hazard.

Precise will offer employers urine and oral testing solutions. Precise's growing geographic footprint will allow services to be provided across New Zealand – a key factor for employers with a nationwide presence.

As part of the business asset purchase, Precise will acquire mobile testing vehicles which have been specially equipped to allow work place drug testing to occur wherever an employer requires it.

### **Transaction Financing**

HRL will fund the asset purchase using its current cash holdings and existing banking facilities. No HRL shares or options will be issued to the vendors.

### **Management**

There will be no changes made to the HRL Board or senior management as a result of the asset purchase.

### **Indicative Timetable**

HRL currently anticipate that the asset acquisition will settle by the end of this month. HRL will continue to update the market with any progress and developments in relation to this acquisition.

### **HRL Group – Strategy**

The expansion of services supports HRL strategic plan to expand the geographical and service presence within the Asia Pacific region. HRL currently operates 5 accredited laboratories and consultancy offices located in Brisbane, Darwin, Canberra, Christchurch and Wellington, of which four have been added in the past 12 months.

The addition of a new branch in Palmerston North gives HRL further geographic coverage across the North Island and will provide the opportunity for HRL to consider further development of laboratory infrastructure in that region.

The group is able to “load balance” laboratory and field consulting services between branch locations and remains able to quickly mobilise resources to meet any individual project requirements.

### **For further information contact:**

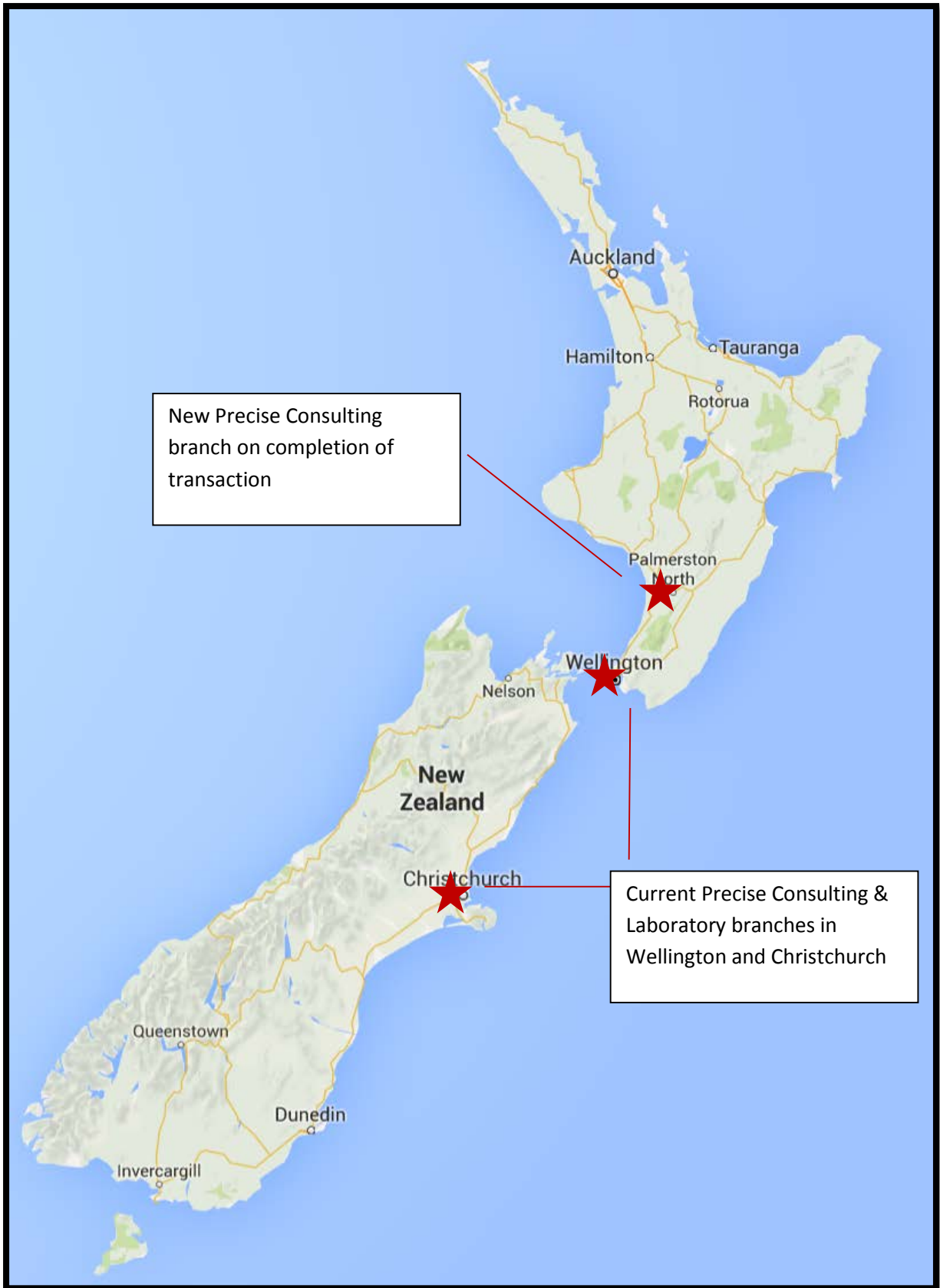
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New Precise Consulting  
branch on completion of  
transaction

Current Precise Consulting &  
Laboratory branches in  
Wellington and Christchurch