

24 December 2014

By ASX online platform

Companies Announcement Office
ASX Limited
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

Dear Sirs

Target's Statement – On-market takeover offer by Pump Services, LLC

In accordance with item 10 of section 635(1) of the *Corporations Act 2001* (Cth), we enclose a copy of the target's statement dated 24 December 2014 (**Target's Statement**) given by Resource Equipment Ltd (ABN 83 098 812 492) (**REL**) in relation to the on-market takeover offer by Pump Services, LLC (**Pump Services**) for all of the fully paid ordinary shares in the capital of REL.

The Target's Statement has today been lodged with the Australian Securities and Investments Commission and sent to Pump Services.

Yours sincerely



Mr Michael Kenyon
Company Secretary
Resource Equipment Limited

TOUGH JOBS. SMART SOLUTIONS.

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RESOURCE EQUIPMENT LTD

Target's Statement

prepared by

Resource Equipment Ltd

ABN 83 098 812 492

in relation to the on-market takeover bid by

Pump Services, LLC

a company incorporated in Delaware, USA

to acquire all of your ordinary fully paid shares in Resource Equipment Ltd for \$0.26 cash per share.

The Directors of Resource Equipment Ltd unanimously recommend, in the absence of a superior proposal, that you

ACCEPT

the Offer from Pump Services, LLC. For details on how to accept the Offer, refer to section 5.

This is an important document and requires your immediate attention. If you do not understand it or are in doubt as to how to act, you should consult your legal, financial or other professional adviser immediately. If you have recently sold all your REL Shares please disregard this document.

REL Shareholders that require assistance can call the REL shareholder information line on 1800 992 793 (within Australia) or +61 1800 992 793 (outside Australia) at any time between 8:30am and 5:30pm (Sydney time) on Monday to Friday.



LAWYERS

Legal Adviser

Important notices

This document is the Target's Statement dated 24 December 2014 given by Resource Equipment Ltd ABN 83 098 812 492 (**Target** or **REL** or **Company**) under Part 6.5 Division 3 of the Corporations Act in response to the on-market takeover bid made by Pump Services, LLC a company incorporated in Delaware, USA (**Pump Services**) for all of the REL Shares. A copy of this Target's Statement has been lodged with ASIC and ASX. Neither ASIC nor ASX nor any of their respective officers takes any responsibility for the contents of this Target's Statement.

Your Directors recommend that you read this Target's Statement in full and seek independent advice if you have any queries in respect of the Offer. This Target's Statement does not take into account the individual investment objectives, financial situation and particular needs of each REL Shareholder and it does not contain personal advice. REL encourages you to seek independent legal, financial and taxation advice before making a decision as to whether or not to accept the Offer for your REL Shares.

Defined Terms

A number of defined terms are used in this Target's Statement. These terms are defined in section 11.1 of this Target's Statement.

REL Shareholder information

REL has established a shareholder information line which REL Shareholders may call if they have any queries in relation to the Offer. The telephone number for the REL shareholder information line is 1800 992 793 (within Australia) or +61 1800 992 793 (outside Australia) at any time between 8:30am and 5:30pm (Sydney time) on Monday to Friday. Calls to the REL shareholder information line may be recorded.

Further information relating to the Offer can be obtained from REL's website at www.rel.com.au. Information contained in, or otherwise accessible through, this website is not a part of this Target's Statement. All references in this Target's Statement to this website are inactive textual references and are for your information only.

Forward Looking Statements

This Target's Statement contains various forward looking statements. Statements other than statements of historical fact may be forward looking statements. REL believes that it has reasonable grounds for making all statements relating to future matters attributed to it in this Target's Statement. REL Shareholders should note that such statements are subject to inherent risks and uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors, many of which are beyond the control of REL. Shareholders should note that any reference to past performance is not intended to be, nor should it be relied upon as, a guide to any future performance. Actual results, values, performance or achievements may differ materially from results, values, performance or achievements expressed or implied in any forward looking statement. None of REL, its officers or any person named in this Target's Statement with their consent or any person involved in the preparation of this Target's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any results, values, performance or achievements expressed or implied in any forward looking statement, except to the extent required by law. Shareholders should not place undue reliance on any such statement. The forward looking statements in this Target's Statement only reflect views held as at the date of this Target's Statement. Any forward looking statement in this Target's Statement is qualified by this cautionary statement.

Risk Factors

Shareholders should note that there are a number of risks attached to their investment in REL.

Please refer to section 4.3 of this Target's Statement (Risk Factors) for further information on those risks.

Disclaimer as to information

The information on Pump Services contained in this Target's Statement has been prepared by REL using publicly available information (including information contained in the Bidder's Statement) and has not been independently verified by REL. Accordingly, subject to the Corporations Act, REL does not make any representation (express or implied) as to the accuracy or completeness of such information.

For the purposes of this Target's Statement, REL has assumed that the number of REL Shares held by Pump Services, or in which Pump Services has a Relevant Interest, is as set out in the Bidder's Statement or substantial shareholder notice as released on ASX.

Maps and diagrams

Any charts, graphs and tables contained in this Target's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in maps, diagrams, charts, graphs and tables is based on information available as at the date of this Target's Statement.

Rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Target's Statement are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Target's Statement.

Foreign Jurisdictions

The release, publication or distribution of this Target's Statement in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons who come into possession of it should seek advice

on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations. This Target's Statement has been prepared in accordance with Australian law and the information contained in this Target's Statement may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with the laws and regulations outside Australia.

Currency

Unless otherwise stated, the currency referred to in this Target's Statement is Australian dollars.

Privacy

REL has collected your information from the REL register of shareholders for the purpose of providing you with this Target's Statement. The type of information REL has collected about you includes your name, contact details and information on your shareholding in REL. Without this information, REL would be hindered in its ability to issue this Target's Statement. The Corporations Act requires the name and address of shareholders and option holders to be held in a public register. Your information may be disclosed on a confidential basis to REL's related bodies corporate and external service providers (such as the share registry of REL, print and mail service providers of REL and Pump Services and the advisers of REL) and may be required to be disclosed to regulators such as ASIC. If you would like details of information about you held by REL, please contact Computershare Investor Services Pty Limited, Level 2, 45 St Georges Terrace, Perth WA 6000 or on 1300 850 505 (if within Australia). The registered address of REL is 276 Treasure Road, Welshpool, WA, 6106.

Key Dates

Event	Key Date
Announcement of the Offer	18 December 2014
Date of Bidder's Statement	18 December 2014
Date of this Target's Statement	24 December 2014
Offer Period commences	2 January 2015
Close of Offer Period (unless extended or withdrawn*)	4.00pm (Sydney time) 3 February 2015

** Note: the Offer may only be withdrawn in exceptional circumstances in accordance with the Corporations Act as summarised in section 3.7 of this Target's Statement.*

Note to REL Shareholders

The Offer is on-market. REL Shareholders should be aware that upon acceptance of the Offer they will not benefit if the Offer Price is subsequently increased, if a superior proposal is made by a third party or the price of REL Shares on ASX trades above the Offer Price.

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REASONS TO ACCEPT THE OFFER, IN THE ABSENCE OF A SUPERIOR PROPOSAL

YOUR DIRECTORS UNANIMOUSLY RECOMMEND YOU ACCEPT THE OFFER IN THE ABSENCE OF A SUPERIOR PROPOSAL FOR THE FOLLOWING REASONS:

1. **Significant premium to the trading price of REL Shares over a range of time periods prior to the Announcement Date**

See section 2 of this Target's Statement and the section entitled 'Why you should accept the Offer' of the Bidder's Statement

2. **The price of your REL Shares is likely to fall in the absence of the Offer**

See section 2 of this Target's Statement and the section entitled 'Why you should accept the Offer' of the Bidder's Statement

3. **The liquidity of your REL Shares is already low and the Offer provides you with an opportunity to sell your REL Shares**

See section 2 of this Target's Statement and the section entitled 'Why you should accept the Offer' of the Bidder's Statement

4. **The Offer Price of \$0.26 per Share provides you with a certain cash value for your REL Shares and you will be paid cash quickly (i.e. 3 Trading Days) after accepting the Offer**

See section 2 of this Target's Statement and the section entitled 'Why you should accept the Offer' of the Bidder's Statement

5. There are a number of risks in rejecting the Offer, including:

- the REL Share price is likely to fall in the absence of the Offer and you are unlikely to receive a premium for your REL Shares
- minority shareholding consequences
- possible delisting of REL
- compulsory acquisition consequences
- potential loss of key employees

See section 4.2 of this Target's Statement.

6. No other offer has been made to purchase your REL Shares and there is no current indication that there will be a competing proposal

See section 2 of this Target's Statement

RISKS RELATED TO THE OFFER

1. Risks with accepting the Offer

- **No withdrawal rights**

Once you have accepted the Offer, you will be legally bound to sell those REL Shares and you cannot later withdraw your acceptance.

If you accept the Offer, you will not be able to accept any superior proposal from Pump Services or a third party, or benefit from any higher price on ASX.

See section 4 of this Target's Statement.

2. There are reasons you may not want to accept the Offer, including:

- you may disagree with the recommendation of your Directors
- you may believe there is the potential for a superior proposal to emerge
- you may wish to maintain your current investment profile
- you will not have the opportunity to participate in any potential future value creation that may result from being a REL Shareholder
- the tax consequences of accepting the Offer may not suit your financial position
- you may wish to sell your REL Shares on market

See section 3.10 of this Target's Statement. There are also number of risks in accepting or rejecting the Offer as summarised in sections 4.1 and 4.2 of this Target's Statement.

KEY POINTS OF THE OFFER

1. **Pump Services is offering \$0.26 cash for every one (1) of your REL Shares**

See section 3.2 of this Target's Statement and section 3 of the Bidder's Statement

2. **The Offer expires at 4.00pm (Sydney time) on 3 February 2015, unless extended or withdrawn by Pump Services.**

The Offer may only be withdrawn in exceptional circumstances in accordance with the Corporations Act as summarised in section 3.7 of this Target's Statement. See also section 3 of the Bidder's Statement

3. **You can accept the Offer by selling your REL Shares to Pump Services in accordance with the instructions in the Bidder's Statement**

See section 5 of this Target's Statement and section entitled "How to accept the Offer" of the Bidder's Statement

4. **The REL Board unanimously recommends, in the absence of a superior proposal, that you ACCEPT the Offer**

See section 2 of this Target's Statement

5. **As at the close of ASX trading on 23 December 2014, Pump Services has a Relevant Interest in 47.53% of REL Shares**

See sections 3.12 and 3.13 of this Target's Statement for Pump Services' intentions for REL once it achieves certain thresholds of control of REL

Letter from the Managing Director and Chief Executive Officer

24 December 2014

Dear REL Shareholder

On 18 December 2014, Pump Services announced it would offer to acquire all of the REL Shares via an on-market takeover. Pump Services, a company wholly-owned by Mr Walter Eugene (Loddie) Naymola Jr., had a Relevant Interest in 47.53% of REL Shares as at close of ASX trading on 23 December 2014.

The consideration being offered by Pump Services under the Offer is \$0.26 in cash for each REL Share held. The Offer is unconditional. The Offer Period is currently due to close at 4.00pm (Sydney time) on 3 February 2015, unless extended or withdrawn (the Offer can only be withdrawn in exceptional circumstances set out in the Corporations Act as summarised in section 3.7 of this Target's Statement).

As the Offer is on-market, acceptance must be through your Broker or another Controlling Participant. Your Broker or Controlling Participant may charge brokerage or other fees. These will be to your account and will reduce the consideration received by you for your REL Shares.

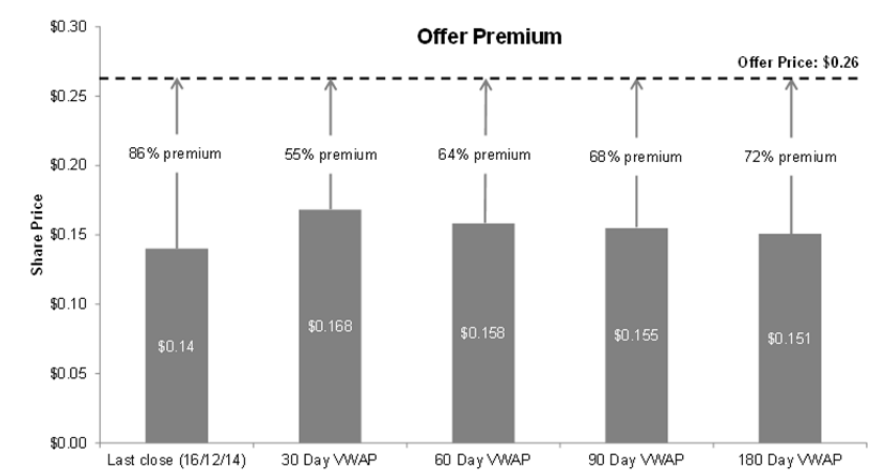
Your Directors unanimously recommend that you accept the Offer, in the absence of a superior proposal.

REL Directors, Messrs Lucas and Hutchinson have already accepted the Offer in respect of all REL Shares which they held or controlled on the Announcement Date. Each of Mr Ryder and Mr Aitken has not yet made a decision whether to accept or procure acceptance of the Offer in respect of all REL Shares each of them holds or controls. Although Mr Donnelley has a Relevant Interest in REL Shares as disclosed in section 9.1 of this Target's Statement, Mr Donnelley does not hold or control those REL Shares.

Your Directors note that there are risks associated with both accepting the Offer and rejecting the Offer. Your Directors encourage REL Shareholders to consider the risks outlined in section 4 of this Target's Statement.

REL's Directors unanimously recommend that REL Shareholders accept the Offer (in the absence of a superior proposal), for the following key reasons:

- 1 The Offer represents a significant premium to the trading price of REL Shares over a range of time periods prior to the Announcement Date:



Source: IRESS, without the consent of IRESS as to the use of the data, as permitted by ASIC Class Order 07/429.

- 2 The price of your REL Shares on ASX is likely to fall in the absence of the Offer.
- 3 The liquidity of your REL Shares was low prior to the Offer being made. As Pump Services had a Relevant Interest in 47.53% of REL Shares as at close of ASX trading on 23 December 2014, it is possible that liquidity after the close of the Offer Period will be further reduced. The Offer provides REL Shareholders with an opportunity to sell their REL Shares.
- 4 The Offer provides you with a certain cash value for your REL Shares and you will be paid cash quickly (i.e. 3 Trading Days) after accepting the Offer.
- 5 There are a number of risks in rejecting the Offer in particular: (i) the REL Share price is likely to fall in the absence of the Offer; (ii) minority shareholding consequences; (iii) the possible delisting of REL; (iv) compulsory acquisition consequences; and (v) loss of key employees, as further detailed in section 4.2 of this Target's Statement.
- 6 As at the date of this Target's Statement no other offer has been made to purchase your REL Shares and there is no current indication that there will be a competing proposal.

There are also risks relating to the Offer which are summarised in section 4 of this Target's Statement.

You are encouraged to read the Bidder's Statement and Target's Statement in full and to consider the Offer having regard to your personal circumstances. You should also consider seeking your own independent legal, financial and taxation advice prior to deciding whether to accept the Offer.

If you have any questions in relation to your position as a REL Shareholder, we encourage you to seek legal, financial, taxation or legal advice without delay and contact the REL shareholder information line on 1800 992 793 (within Australia) or +61 1800 992 793 (outside Australia) at any time between 8:30am and 5:30pm (Sydney time) on Monday to Friday.

We will provide further updates in due course.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Aitken', with a long horizontal flourish extending to the right.

Andrew Aitken
Managing Director and Chief Executive Officer

1 Frequently asked questions about Pump Services' Offer

In this section answers are provided to some commonly asked questions about the Offer. This section should be read together with the rest of this Target's Statement. This section is not intended to comprehensively answer all questions that may arise in relation to the Offer nor address all issues that are relevant to REL Shareholders.

Question	Answer
<i>Who is offering to purchase my REL Shares?</i>	<p>Pump Services, LLC, a limited liability company incorporated in Delaware, USA (Pump Services). Pump Services is a company wholly-owned by Mr Walter Eugene (Loddie) Naymola Jr., and had a Relevant Interest in 47.53% of REL Shares as at close of ASX trading on 23 December 2014.</p> <p>Information in relation to Pump Services can be obtained from section 4 of the Bidder's Statement.</p>
<i>What is the Offer for my REL Shares?</i>	<p>The consideration being offered by Pump Services under the Offer is \$0.26 in cash for each REL Share held. REL Shareholders may be liable for brokerage as detailed overleaf.</p> <p>The Offer is unconditional.</p>
<i>What choices do I have?</i>	<p>As a REL Shareholder, you can:</p> <ul style="list-style-type: none">• ACCEPT the Offer – a course of action your Directors recommend in the absence of a superior proposal. Once you accept, you are precluded from accepting any superior proposal from Pump Services itself or a third party; or• REJECT the Offer by doing nothing. There are a number of risks in rejecting the Offer as summarised in section 4.2 of this Target's Statement; or• SELL your REL Shares on-market (unless you have previously accepted the Offer). <p>YOUR DIRECTORS UNANIMOUSLY RECOMMEND, IN THE ABSENCE OF A SUPERIOR PROPOSAL, THAT YOU <u>ACCEPT</u> THE OFFER.</p> <p>Refer to section 5 for details on how to accept the Offer.</p>
<i>Should I accept the Offer?</i>	<p>Your Directors unanimously recommend that you accept the Offer, in the absence of a superior proposal.</p> <p>If there is any change to this recommendation your Directors will inform you. Further details regarding your Directors' recommendation are contained in section 2 of this Target's Statement.</p> <p>You should read the Bidder's Statement and Target's Statement in full and consider the Offer having regard to your personal circumstances. Your Directors encourage you to seek your own independent legal, financial and taxation advice prior to deciding whether to accept the Offer.</p>

Question	Answer
<p><i>How do I ACCEPT the Offer?</i></p>	<p>If you hold your REL Shares in an Issuer Sponsored Holding (Securityholder Reference Number beginning with “I”), you may sell your REL Shares to Pump Services by instructing any Broker, which may include Bell Potter (where Bell Potter is your existing Broker or you appoint Bell Potter as your Broker), to accept the offer on your behalf before the end of the Offer Period.</p> <p>If you hold your REL Shares in a CHESS Holding (Securityholder Reference Number beginning with “X”), you may sell your REL Shares to Pump Services by instructing your Controlling Participant (for example, your broker) to accept the offer on your behalf before the end of the Offer Period.</p> <p>If you are a Controlling Participant, acceptance of the Offer must be initiated in accordance with rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.</p>
<p><i>How do I REJECT the Offer?</i></p>	<p>To reject the Offer, you do not need to do anything. If you wish to reject the Offer, do not respond to any calls or correspondence from or made on behalf of Pump Services.</p> <p>You should note, however, that if Pump Services at a later date acquires further REL Shares, such that Pump Services has a Relevant Interest in 90% of the REL Shares, Pump Services may be entitled to compulsorily acquire the REL Shares that it does not own (see section 3.11 of this Target's Statement and section 6 of the Bidder's Statement for more information). Pump Services has indicated that if it becomes entitled to do so under the Corporations Act, it intends to compulsorily acquire any outstanding REL Shares in accordance with chapter 6A of the Corporations Act.</p> <p>There are also a number of other risks in rejecting the Offer as summarised in section 4.2 of this Target's Statement.</p>
<p><i>When will I be sent payment for my REL Shares if I accept the Offer?</i></p>	<p>The usual rules for settlement of on-market transactions on ASX will apply in respect of Pump Services' acquisition of your REL Shares. This means that if you accept the Offer, Pump Services will pay you on a T+3 Basis (being 3 Trading Days after the date of your acceptance).</p>
<p><i>Will I need to pay brokerage or stamp duty if I accept the Offer?</i></p>	<p>As the Offer is an on-market offer, Shareholders may only accept the Offer through Brokers or Controlling Participants who are members of ASX. You should ask your Broker or Controlling Participant if any fees or charges will apply. Any fees or other charges of such Brokers or Controlling Participants will be the sole responsibility of the accepting REL Shareholder.</p> <p>Pump Services will bear its own brokerage, if any, on transfers of REL Shares acquired through acceptances of the Offer.</p> <p>No stamp duty or GST will be payable by you on the transfer of your REL Shares pursuant to the Offer (other than GST payable to your Broker in respect of brokerage fees charged to you).</p>

Question	Answer
<i>What do your Directors intend to do with their REL Shares?</i>	<p>Messrs Lucas and Hutchinson have already accepted the Offer in respect of all REL Shares which they held or controlled on the Announcement Date.</p> <p>Each of Mr Ryder and Mr Aitken has not yet made a decision whether to accept or procure acceptance of the Offer in respect of all REL Shares each of them holds or controls.</p> <p>Although Mr Donnelley has a Relevant Interest in REL Shares as disclosed in section 9.1 of this Target's Statement, Mr Donnelley does not hold or control those REL Shares.</p>
<i>What are the consequences of accepting the Offer now?</i>	<p>If you accept the Offer now, you will not be able to accept any superior proposal from Pump Services or a third party, or benefit from any higher price REL Shares may trade at on ASX.</p> <p>Pump Services has stated that its Offer is scheduled to close at 4.00pm (Sydney time) on 3 February 2015, unless it is extended or withdrawn. The Offer may only be withdrawn in exceptional circumstances in accordance with the Corporations Act as summarised in section 3.7 of this Target's Statement.</p>
<i>If I accept the Offer, can I withdraw my acceptance if I change my mind?</i>	<p>No, once you have accepted the Offer, you will be legally bound to sell those REL Shares and you cannot later withdraw your acceptance.</p>
<i>When do I have to decide?</i>	<p>If you wish to accept the Offer you need to do so before its scheduled closing date. Pump Services has stated that its Offer is scheduled to close at 4.00pm (Sydney time) on 3 February 2015, unless it is extended or withdrawn. The Offer may only be withdrawn in exceptional circumstances in accordance with the Corporations Act as summarised in section 3.7 of this Target's Statement.</p> <p>If you wish to reject the Offer, you do not need to do anything. There are a number of risks in rejecting the Offer as summarised in section 4.2 of this Target's Statement.</p>
<i>Do I have to ACCEPT the Offer for all of my REL Shares?</i>	<p>You can accept the Offer for all or part of your REL Shares.</p>
<i>Does the Offer extend to REL Options?</i>	<p>The Offer does not extend to REL Options. If you are a REL Optionholder, you will need to exercise your REL Options and receive REL Shares prior to the end of the Offer Period if you wish to accept the Offer.</p> <p>Further details of the impact of the Offer on REL Options is set out in section 7.4 of this Target's Statement.</p>

Question	Answer
<i>Does the Offer extend to REL Performance Rights?</i>	<p>The Offer does not extend to REL Performance Rights.</p> <p>Whether a REL Performance Rights holder can accept the Offer depends on whether the REL Performance Rights have vested and the time of vesting.</p> <p>Further details of the impact of the Offer on REL Performance Rights is set out in section 7.5 of this Target's Statement.</p>
<i>Are there any conditions to the Offer?</i>	<p>No, the Offer is unconditional.</p>
<i>Can Pump Services vary the Offer?</i>	<p>Yes. Pump Services can vary the Offer by extending the Offer Period or increasing the Offer Price (although any increase in the Offer Price will not apply to you if you have previously accepted the Offer).</p> <p>Details of the circumstances in which the Offer Period may be extended are set out in section 3.7 of this Target's Statement.</p> <p>Pump Services cannot increase the Offer Price during the last five Trading Days of the Offer Period.</p>
<i>Can Pump Services withdraw the Offer?</i>	<p>The Corporations Act permits the withdrawal of unaccepted offers only in exceptional circumstances.</p> <p>Pump Services may withdraw unaccepted Offers if certain insolvency events occur during the Offer Period, regardless of Pump Services' voting power at that time.</p> <p>Please refer to section 3.7 of this Target's Statement for further details.</p> <p>Pump Services cannot withdraw accepted Offers.</p>
<i>Can I be forced to sell my REL Shares?</i>	<p>You cannot be forced to sell your REL Shares unless Pump Services acquires a Relevant Interest in at least 90% of all REL Shares and is entitled to compulsorily acquire the remaining REL Shares under the Corporations Act (see section 3.11 of this Target's Statement and section 6 of the Bidder's Statement for more information).</p> <p>Pump Services' intentions with respect to compulsory acquisition are set out in section 6 of the Bidder's Statement. In summary, Pump Services has indicated that if it becomes entitled to do so under the Corporations Act, it intends to compulsorily acquire any outstanding REL Shares in accordance with chapter 6A of the Corporations Act.</p>
<i>Will REL be delisted?</i>	<p>An application is required to be made to the ASX for REL to be delisted.</p> <p>Pump Services has stated that if it acquires 90% or more of REL Shares it intends to arrange for REL to be removed from the official list of ASX.</p>

Question	Answer
	<p>Pump Services has stated that if it acquires 50.1% or more of REL Shares it intends to request that the REL Board consider whether the advantages of REL retaining a listing outweigh the disadvantages. Pump Services has stated that if the REL Board were to decide that it is in the best interests of REL to cease to be listed on ASX, it would likely support a resolution to delist REL.</p> <p>Further information on the process of delisting in various scenarios is outlined in section 4.2 of this Target's Statement.</p>
<p><i>What happens if a competing proposal is made for REL?</i></p>	<p>If a competing proposal for REL emerges, REL Shareholders will be informed through an announcement to ASX. The Directors will carefully consider the competing proposal and advise you of their recommendation.</p> <p>If you have already accepted the Offer at the time that a competing proposal emerges, you will be unable to accept the competing proposal.</p> <p>Since the announcement of the proposed Offer on 18 December 2014, no competing proposal has emerged.</p> <p>Pump Services had a Relevant Interest in 47.53% of REL Shares as at close of ASX trading on 23 December 2014. Any person proposing a competing proposal would need to gain Pump Services' support in order to acquire 100% of REL.</p>
<p><i>What are the tax implications of accepting the Offer</i></p>	<p>A general outline of the tax implications of accepting the Offer for certain Australian resident Shareholders is set out in section 8 of this Target's Statement and section 8 of the Bidder's Statement.</p> <p>You should not rely on that outline as advice on your own affairs. It does not deal with the position of particular REL Shareholders. You should seek your own personal, independent legal, financial and taxation advice before making a decision as to whether to accept or reject the Offer for your REL Shares.</p>
<p><i>I am a Foreign Shareholder. Can I accept the Offer?</i></p>	<p>Foreign Shareholders can accept the Offer by selling their REL Shares to Pump Services on-market like any other REL Shareholder.</p>
<p><i>What are the risks associated with REL and its business?</i></p>	<p>These risks are detailed in section 4.3 of this Target's Statement.</p>
<p><i>What happens if there is a competing proposal?</i></p>	<p>If there is a competing proposal REL Shareholders that have already accepted the Offer will not be able to accept the competing proposal.</p>

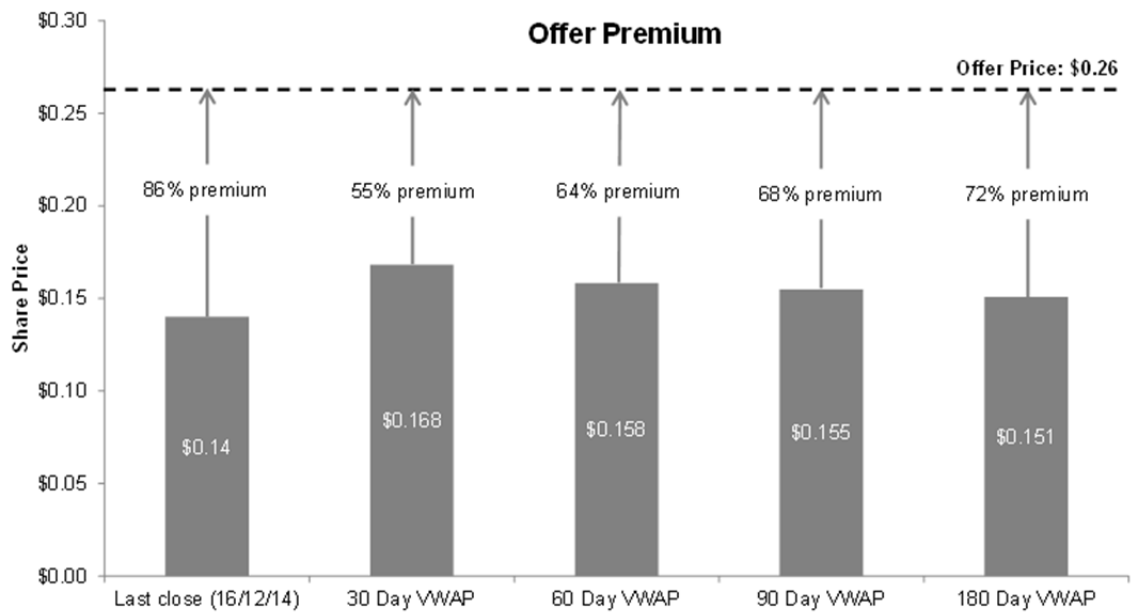
Question	Answer
<i>If I have further questions in relation to the Offer what can I do?</i>	<p>If you have any further queries in relation to the Offer, please call the REL shareholder information line or you can speak to your legal, financial or other professional adviser.</p> <p>The telephone number for the REL shareholder information line is 1800 992 793 (within Australia) or +61 1800 992 793 (outside Australia) at any time between 8:30am and 5:30pm (Sydney time) on Monday to Friday.</p>
<i>Is there an independent expert's report?</i>	<p>No, REL has not commissioned an independent expert's report for the purposes of the Offer. There is no legal requirement to do so.</p>

2 Reasons to ACCEPT the Offer, in the absence of a superior proposal

Your Directors believe that REL Shareholders should, in the absence of a superior proposal, accept the Offer for the reasons set out below.

2.1 Significant premium to the trading price of REL Shares over a range of time periods prior to the Announcement Date

The Offer implies a premium to REL trading prices of 55% to 86% over a range of trading periods.



Source: IRESS, without the consent of IRESS as to the use of the data, as permitted by ASIC Class Order 07/429.

2.2 The price of your REL Shares is likely to fall in the absence of the Offer

If the Offer does not proceed and no alternative transaction is announced, it is likely that after close of the Offer Period the REL Share price on ASX will fall below the value of the Offer Price, given that the Offer represents a significant premium to the prior recent market price of REL Shares.

2.3 The liquidity of your REL Shares is already low and the Offer provides REL Shareholders with an opportunity to sell their REL Shares

The market for REL Shareholders can suffer periods of illiquidity. The Offer will allow you to dispose of all of your REL Shares, and to realise certain value for REL Shares. In the absence of the Offer, there is no guarantee that REL Shareholders would be able to liquidate all of their shareholding in REL on-market in a single transaction. The Offer provides you with an opportunity to dispose of all your REL Shares in a single transaction for certain cash value.

The liquidity of REL Shares may diminish further following the close of the Offer. Pump Services had a Relevant Interest in 47.53% of REL Shares as at close of ASX trading on 23 December 2014.

2.4 The Offer provides you with a certain cash value for your REL Shares and you will be paid cash quickly (i.e. 3 Trading Days) after accepting the Offer

The Offer is to acquire your REL Shares on a 100 per cent cash consideration basis. The Offer is unconditional. You will be paid cash quickly on a T+3 basis (being 3 Trading Days after your acceptance), less any brokerage payable.

The certainty of this return should be considered against the uncertain value of your REL Shares should you choose to remain a REL Shareholder.

2.5 There are a number of risks in rejecting the Offer

There are risks associated with not accepting the Offer, including:

- the REL Share price is likely to fall in the absence of the Offer and you are unlikely to receive a premium for your REL Shares
- minority shareholding consequences
- possible delisting of REL
- compulsory acquisition consequences
- potential loss of key employees

The likelihood of these risks eventuating increases as Pump Services' Relevant Interest in REL Shares increases. Pump Services had a Relevant Interest in 47.53% of REL Shares as at close of ASX trading on 23 December 2014.

Further details surrounding these risks is set out in section 4.2 of this Target's Statement.

2.6 No other offer has been made to purchase your REL Shares and there is no current indication that there will be a competing proposal

As at the date of this Target's Statement no other offer has been made to purchase your REL Shares and the Directors are not presently aware of any other party intending to make another offer to acquire your REL Shares.

In the event that a competing proposal does emerge during the Offer Period, the Directors will give careful consideration to the proposal and advise REL Shareholders accordingly.

3 Offer details

3.1 Background to the Offer

On 18 December 2014, Pump Services announced its proposal to acquire all of the fully paid ordinary shares in the capital of REL by way of an on-market takeover bid.

Around the time you receive this Target's Statement, you will have received Pump Services' Bidder's Statement, containing the full terms of the Offer, together with other information material to your decision whether or not to accept the Offer.

3.2 The Offer

Pump Services is offering \$0.26 in cash for each REL Share held. Pump Services has appointed Bell Potter to acquire REL Shares on-market at the Offer Price. The Offer is unconditional. You may be liable for brokerage as outlined on page 13 which will reduce the consideration payable to you.

3.3 Offer Premium

Your Directors draw your attention to the below table that sets out the significant premium being offered under the Offer relative to recent prices for REL Shares for a range of time periods:

	Offer Price	REL Share price (as at close, 16 December 2014, being the last trade price prior to the Announcement Date)	Offer premium
At announcement	\$0.26	\$0.14	86%
30 day VWAP	\$0.26	\$0.168	55%
60 day VWAP	\$0.26	\$0.158	64%
90 day VWAP	\$0.26	\$0.155	68%
180 day VWAP	\$0.26	\$0.151	72%

3.4 The Offer is unanimously recommended

Your Directors unanimously recommend that REL Shareholders accept the Offer in the absence of a superior proposal.

3.5 Directors' intentions in relation to the Offer

Messrs Lucas and Hutchinson have already accepted the Offer in respect of all of the respective shareholdings in REL that they held or controlled on the Announcement Date.

Each of Mr Ryder and Mr Aitken has not yet made a decision whether to accept or procure acceptance of the Offer in respect of all REL Shares each of them holds or controls.

Although Mr Donnelley has a Relevant Interest in REL Shares as disclosed in section 9.1 of this Target's Statement, Mr Donnelley does not hold or control those REL Shares.

3.6 The Offer is unconditional

The Offer is an unconditional cash offer.

3.7 Offer Period, withdrawal and extension

The Offer is open for acceptance from 2 January 2015 and will close at 4.00pm (Sydney time) on 3 February 2015 (unless extended or withdrawn in accordance with the Corporations Act as discussed further below). However, as it is an on-market offer, Pump Services has instructed its broker Bell Potter to stand in the market and purchase shares at \$0.26 per REL Share since the Announcement Date.

Pump Services may vary its Offer in accordance with the Corporations Act (which may include extensions of the Offer Period or an increase in the Offer Price). Any variation to the Offer will be announced to ASX.

If there is an increase in the Offer Price and you have sold your REL Shares before any such announcement then you will not receive any benefit from any variation to the Offer Price.

Pursuant to the Corporations Act, Pump Services may announce an extension to the Offer Period, or an increase in the Offer Price, at any time up until 5 Trading Days before the end of the Offer Period.

An extension to the Offer Period may only be announced during those last five Trading Days of the Offer Period in limited circumstances prescribed by the Corporations Act.

There will also be an automatic extension of the Offer Period if Pump Services' voting power in REL reaches more than 50% in the last seven days of the Offer Period.

The Corporations Act provides for three ways in which Pump Services may withdraw unaccepted Offers:

- (i) firstly, Pump Services may seek the written consent of ASIC to withdraw all unaccepted Offers. ASIC may provide its consent subject to conditions;
- (ii) secondly, Pump Services may withdraw unaccepted Offers if one of the following events occur and Pump Services' voting power in REL is 50% or less:
 - (A) REL converts all or any of its shares into a larger or smaller number of shares;
 - (B) REL or a subsidiary resolves to reduce its share capital in any way;
 - (C) REL or a subsidiary enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement;
 - (D) REL or a subsidiary issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option;

- (E) REL or a subsidiary issues, or agrees to issue, convertible notes;
 - (F) REL or a subsidiary disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
 - (G) REL or a subsidiary charges, or agrees to charge, the whole, or a substantial part, of its business or property; or
 - (H) REL or a subsidiary resolves to be wound up;
- (iii) thirdly, Pump Services may withdraw unaccepted Offers, regardless of its voting power, if any of the following events occur:
- (A) a liquidator or provisional liquidator of REL or of a subsidiary is appointed;
 - (B) a court makes an order for the winding up of REL or of a subsidiary;
 - (C) an administrator of REL, or of a subsidiary, is appointed under sections 436A, 436B or 436C of the Corporations Act;
 - (D) REL or a subsidiary executes a deed of company arrangement; or
 - (E) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of REL or of a subsidiary.

3.8 When you will receive payment if you accept the Offer

Payment for acceptances will be received on a T + 3 basis in line with the normal practice of an on-market purchase of shares on ASX. This means you will be paid three Trading Days after your acceptance.

3.9 Effect of any increase in Offer consideration

If Pump Services improves the Offer Price, you will not be entitled to the benefit of that improved Offer Price if you have already sold your REL Shares.

3.10 Why you might not wish to accept the Offer

- a) You may disagree with the recommendation of your Directors

Despite the recommendation of your Directors, you may take a different view and you may believe that the Offer is not in your best interests.

- b) You may believe there is the potential for a superior proposal to emerge

You may believe that there is potential for a superior proposal to emerge in the foreseeable future.

It is possible (although your Directors consider it unlikely) that a more attractive proposal for REL Shareholders could emerge in the future. As at the date of this Target's Statement no other offer has been made to purchase your REL Shares and the Directors are not presently aware of any other party intending to make another offer to acquire your REL Shares in the future.

- c) You may wish to maintain your current investment profile

You may wish to maintain an investment in REL as a stand-alone entity in order to have an investment in a company with the specific characteristics of REL such as industry, operational profile, size and geography.

- d) You will not have the opportunity to participate in any potential future value creation that may result from being a REL Shareholder.

If you accept the Offer in respect of all of your REL Shares, you will no longer be a REL Shareholder. This will mean that you will not participate in any potential upside that may result from REL remaining as a stand-alone entity.

- e) The tax consequences of accepting the Offer may not suit your financial position

Accepting the Offer may trigger taxation consequences for you. You should read the tax considerations in section 8 of this Target's Statement and seek professional taxation advice with respect to your individual tax situation.

- f) You may wish to sell your REL Shares on market

You may decide, after taking into account the matters referred to in this Target's Statement and your own personal circumstances, that it is better to sell some or all of your REL Shares on the ASX, potentially for a higher price than the Offer Price.

3.11 Compulsory acquisition

- a) General compulsory acquisition provisions

Pump Services will be entitled, under section 664A of the Corporations Act, to compulsorily acquire any outstanding REL Shares and REL Options if Pump Services' and its Associates has a Relevant Interest in at least 90% or more of REL Shares and:

- (i) Pump Services lodges a compulsory acquisition notice with ASIC within 6 months of achieving that 90% holding;
- (ii) Pump Services proposes a cash sum for the compulsory acquisition of the REL Shares and REL Options; and
- (iii) Pump Services obtains the report of an expert stating whether, in the expert's opinion, the terms proposed in the notice give fair value of the securities covered.

Pump Services has not stated in the Bidder's Statement the cash sum it would propose for any compulsory acquisition of the REL Shares or REL Options that is undertaken by Pump Services under section 664A of the Corporations Act.

- b) Post bid compulsory acquisition

Pump Services will be entitled, under section 661A of the Corporations Act, to compulsorily acquire any REL Shares in respect of which it has not received an acceptance of the Offer on the same terms as the Offer if, during or at the end of the Offer Period, Pump Services (together with its Associates) has a Relevant Interest in at least 90% (by number) of REL Shares and Pump Services (together with its Associates) has acquired at least 75% (by number) of the REL Shares that Pump Services offered to acquire under the Offer.

If these thresholds are met, Pump Services will have up to one month after the end of the Offer Period within which to give compulsory acquisition notices to REL Shareholders who have not accepted the Offer. REL Shareholders have statutory rights to challenge the compulsory acquisition, but a successful challenge will require the relevant REL Shareholder to establish to the satisfaction of a Court that the consideration offered does not represent “fair value” for their REL Shares.

If compulsory acquisition occurs, REL Shareholders who have their REL Shares compulsorily acquired will be paid their consideration later than REL Shareholders who accept the Offer.

3.12 Intentions if Pump Services acquires 90% or more of REL Shares

Pump Services' intentions with respect to compulsory acquisition are set out in section 6 of the Bidder's Statement. In summary, Pump Services has indicated that if it acquires a Relevant Interest in 90% or more of REL Shares and becomes entitled to do so under the Corporations Act, it intends:

- (i) to give notices to compulsorily acquire any outstanding REL Shares in accordance with the provisions of chapter 6A of the Corporations Act;
- (ii) arrange for REL to be removed from the official list of ASX;
- (iii) replace some or all of the REL Board with its nominees (the identity of such directors and nominees has not yet been decided but they will include Mr Naymola and are likely to be members of Pump Services Group management team);
- (iv) terminate the REL Incentive Plans and replace them with incentives appropriate to a private company (the details of which have not yet been formulated); and
- (v) conduct a review of REL's operations, assets, liabilities, employees and strategy. The review will seek to evaluate how to maximise the performance of REL Group operations, and identify strategic and operational opportunities to increase REL Group's profitability and discontinue or restructure any unprofitable activities. The review will focus on a number of key areas including:
 - (A) assessing the profitability of REL Group's assets and operations, including the major dewatering projects business and any other unprofitable aspects of REL Group to consider whether to scale down or sell those operations to fund prospective areas of investment. Such decisions would be made only upon consideration of the relevant legal, financial and taxation implications;
 - (B) concentrating management time and capital of REL on its core pump equipment rental business and considering expanding the business' services in and to the construction, municipal and oil and gas industries;
 - (C) upgrading and modernising the information technology, accounting and other systems infrastructure of REL to better support REL Group's businesses; and

- (D) whether to consolidate branches which are located close to each other and streamline REL's management to reduce cost and more effectively serve customers. However, no decision is intended to be made with respect to REL's current employees until the review of all the business' assets and operations have been undertaken after completion of the Offer.

3.13 Intentions for REL if Pump Services acquires 50.1% or more of REL Shares

Section 6.4 of the Bidder's Statement outlines Pump Services' intentions if Pump Services has voting power in REL of 50.1% or more at the close of the Offer to gain effective control of REL, but without becoming entitled to compulsorily acquire the remaining REL Shares. The ability of Pump Services to implement the intentions set out in section 6.4 of the Bidder's Statement (summarised above) will be subject to the legal obligations of REL Directors (including any nominees of Pump Services) to have regard to the interests of REL and all REL Shareholders, the requirements of the Corporations Act and (provided REL remains listed) the ASX Listing Rules relating to transactions between related parties. As a result of these requirements, the approval of REL minority shareholders may be required for the implementation of some of Pump Services' intentions. These intentions are summarised broadly below.

a) Corporate matters

Pump Services has stated that, subject to the Corporations Act and REL's constitution, it intends to seek to replace some of the members of the REL Board so that Pump Services nominees constitute at least a majority of the members of the REL Board. Pump Services notes that as at the date of the Bidder's Statement, no decision had been made about the identity of the proposed nominees to the REL Board (although they will include Mr Naymola and are likely to include members of Pump Services Group management team) or which current REL Directors would be removed.

Pump Services states it considers that there are a number of advantages and disadvantages of REL continuing to be listed on ASX after the Offer. After the close of the Offer, Pump Services has stated it intends to request that the REL Board consider whether the advantages of listing outweigh the disadvantages. Pump Services has stated it anticipates the outcome of such consideration will likely depend on a number of factors, including:

- (i) the number of REL Shares acquired by Pump Services under the Offer;
- (ii) the spread (i.e. number) of REL Shareholders after the Offer closes;
- (iii) the level of liquidity of REL Shares after the Offer closes;
- (iv) whether, after the Offer closes, REL Shares trade at a reasonable value or a value below the underlying asset value; and
- (v) the costs of listing and associated compliance.

If the REL Board were to decide it is in the best interests of REL to cease to be listed on ASX, Pump Services has stated it would likely support a resolution to delist REL.

Under the ASX Listing Rules, a listed company is required to maintain a spread of holdings which, in ASX's opinion, is sufficient to ensure that there is an orderly and liquid market in REL Shares. ASX may suspend or delist a company which does not meet these spread requirements.

If REL is delisted from the ASX, Pump Services has stated it does not intend to retain any independent REL Directors on the REL Board, and intends to reconstitute the REL Board so that it consists entirely of Pump Services' nominees.

b) General operational review

Pump Services has stated if it controls REL following the close of the Offer, Pump Services currently intends to attempt to procure that the REL Board conduct a review of REL's operation, assets, liabilities, employees and strategy.

c) REL Incentive Plans

Pump Services has stated if it controls REL following the close of the Offer, it intends through its nominees on the REL Board to propose that REL review the REL Incentive Plans to determine whether they are appropriate. Pump Services has stated it has not formed any views on the likely outcome of such a review.

d) Dividend policy

Pump Services has stated that, given the current challenges faced by REL and other mining services companies and Pump Services' intentions to support the growth of REL Group (which will require capital to acquire businesses and/or rental inventory), Pump Services anticipates that it is unlikely to support the payment of dividends in the short to medium term.

e) Financing arrangements

Pump Services has stated if the existing debt facilities of REL are terminated as a result of a change of control, Pump Services, through its nominees on the REL Board, intends to recommend the replacement of those facilities with alternative financing facilities.

f) Further acquisition of REL Shares

Pump Services has stated it may, after conclusion of the Offer, acquire further REL Shares in accordance with the Corporations Act. In particular, Pump Services may acquire additional REL Shares under item 9 of section 611 of the Corporations Act which would permit Pump Services and its associates to acquire up to 3% of REL Shares every six months. Pump Services has not yet decided whether it will acquire further REL Shares under these provisions or by any other means permitted under the Corporations Act.

g) Compulsory acquisition at a later time

Pump Services has stated if it becomes entitled at some later time to exercise general compulsory acquisition rights under Part 6A.2 of the Corporations Act as a result of acquiring additional REL Shares, it may exercise those rights.

3.14 Further developments

Should there be any developments during the Offer Period (for example, the emergence of a superior proposal from Pump Services or a third party) which would alter your Directors' recommendations in relation to the Offer, REL Shareholders will be notified through a supplementary Target's Statement.

3.15 Taxation consequences

In making a decision whether to accept the Offer, REL Shareholders should also have regard to the fact that the disposal of REL Shares may have taxation consequences. REL Shareholders should seek their own independent advice as to any such taxation consequence (please refer to section 8 of the Target's Statement and section 8 of the Bidder's Statement).

4 Risks associated with accepting or rejecting the Offer and risks associated with holding REL Shares

REL Shareholders should be aware of the following key risks that arise from the Offer.

4.1 Risks associated with accepting the Offer

a) No withdrawal rights

Once you have accepted the Offer, you will be legally bound to sell those REL Shares and you cannot later withdraw your acceptance.

If you accept the Offer, you will not be able to accept any superior proposal from Pump Services or a third party, or benefit from any higher price on ASX.

4.2 Risks associated with rejecting the Offer

a) No Premium

If you do not accept the Offer you will not receive the premium offered by Pump Services.

b) The price of REL Shares may fall

While there are many factors that influence the market price of REL Shares, your Directors believe there is a risk that, following the close of the Offer and in the absence of a superior proposal, the market price of REL Shares may fall. The closing price for REL Shares on the last full trading day prior to the announcement of the Offer was \$0.14.

b) Minority ownership consequences

In section 6.4 of the Bidder's Statement, Pump Services describes its intentions in the event that it acquires 50.1% or more (but less than 90%) of the REL Shares.

If the scenario described in section 6.4 of the Bidder's Statement occurs, REL Shareholders who do not accept the Offer will become minority shareholders in REL and those REL Shareholders will no longer collectively control REL.

This has a number of possible implications including the following:

- (i) Pump Services will be able to cast the majority of votes at a general meeting of REL enabling it to control the Board and senior management of REL, determine REL's dividend policy and control the strategic direction of REL.
- (ii) Subject to the requirements of the Corporations Act and REL's constitution, Pump Services may appoint nominees of Pump Services to the Board.
- (iii) Your Directors believe it is reasonably likely that the liquidity of REL Shares would be lower than at present if a significant number of REL Shareholders accept the Offer.
- (iv) Pump Services has indicated that if it acquires 50.1% or more of all REL Shares on issue, it intends to request that the REL Board consider whether the advantages of listing outweigh the disadvantages. Pump Services has indicated if the REL Board were to decide that it is in the best interests of REL to cease to be listed on ASX, Pump Services would likely support a

resolution to delist REL. A number of requirements need to be met in order for REL to be delisted (as summarised in section 4.2(c) below). If REL is delisted, REL Shares will not be able to be bought or sold on ASX.

- (v) If Pump Services acquires 75% or more of the REL Shares, it will be able to pass special resolutions at a general meeting of REL Shareholders. This will enable Pump Services to amend REL's constitution.

c) Delisting

Pump Services has indicated that if it acquires 90% or more of all REL Shares on issue, it intends to arrange for REL to be removed from the official list of ASX.

Pump Services has indicated that if it acquires 50.1% or more of all REL Shares on issue, it intends to request that the REL Board consider whether the advantages of listing outweigh the disadvantages. Pump Services has indicated if the REL Board were to decide that it is in the best interests of REL to cease to be listed on ASX, Pump Services would likely support a resolution to delist REL.

Companies may apply to ASX to be removed from the official list of ASX in a number of circumstances. Relevantly, ASX provides the following guidance (see ASX Guidance Note 33 for more information) in relation to delisting of a company:

- (i) Except in the scenario set out in (ii) below, ASX will usually require a company obtain the approval of its security holders to its removal from the official list.

All holders of ordinary securities, including those with large or even controlling security holdings, will generally be permitted to vote on the resolution, except where the company has been the subject of a takeover bid in the preceding 12 months and, in ASX's opinion, the bidder and its associates have attained effective control of the entity without satisfying the conditions mentioned immediately below, in which case ASX will require the removal to be approved by the entity's security holders and will also impose a requirement for a voting exclusion statement in relation to any votes cast by the bidder and its associates on the resolution approving the removal.

- (ii) ASX will not usually require a company to obtain security holder approval for its removal from the official list if the company requesting removal from the official list has been the subject of a successful takeover bid for its ordinary securities and the following conditions are met:
 - (A) the bidder and its related bodies corporate own or control at least 75% of the company's ordinary securities but have not met the conditions to proceed to compulsory acquisition of the remaining securities under the Corporations Act;
 - (B) excluding the bidder and its related bodies corporate, the number of holders of ordinary securities having holdings with a value of at least \$500 is fewer than 150;
 - (C) the bidder foreshadowed in its bidder's statement that it intended, if it secured control of the company, to cause the company to apply for removal from the official list;

- (D) the takeover bid remained open for at least two weeks following the bidder and its related bodies corporate having attained ownership or control of at least 75% of the company's ordinary securities; and
- (E) the company has applied for removal from the official list no later than one month after the close of the takeover bid.

d) Compulsory acquisition consequences

If, after the end of the Offer Period, Pump Services acquires a Relevant Interest in at least 90% of all REL Shares on issue (for example, by subsequent acquisitions of REL Shares), then Pump Services may be entitled to compulsorily acquire the REL Shares it does not own (see section 3.11 of this Target's Statement and section 6 of the Bidder's Statement for more information).

e) Loss of key employees

As noted in section 7.5 of this Target's Statement, the Board has resolved to vest the REL Performance Rights that were on issue. As such, no staff are currently incentivised through equity arrangements.

In addition, Pump Services has stated that if it controls REL following the close of the Offer it intends to propose that REL review the REL Incentive Plans to determine whether they are appropriate. Pump Services has stated it has not formed any views on the likely outcome of such a review.

In the event that it is determined that the REL Incentive Plans are not appropriate, REL will need to consider how it will incentivise staff. If REL fails to appropriately incentivise its staff, there is a risk that REL may not be able to retain current staff or attract new staff.

4.3 Risks associated with holding REL Shares

There are a number of risks which may have a material and adverse impact on the future operating and financial performance of REL and the value of REL Shares. These may be risks that are widespread risks associated with any form of business or specific risks associated with REL's business and its involvement in the mining industry. While most risk factors are largely beyond the control of REL and your Directors, REL will seek to mitigate the risks where possible, for example by obtaining appropriate insurances and maintaining its key relationships.

The following summary, which is not exhaustive, represents some of the major risk factors which affect REL. These risk factors ought not to be taken as exhaustive of the risks faced by REL or by REL Shareholders. These factors, and others not specifically referred to, may in the future materially affect the financial performance of REL and the value of REL Shares.

a) Future trading price

There is a risk that the REL Share price may fall if the Offer is unsuccessful.

Your Directors are not in a position to speculate on the future trading price of the REL Shares, including if the Offer lapses. The future price of REL Shares is dependent not only on REL's performance, but also on external market and other factors.

b) Share market risk

Share market conditions may affect the value of REL's Shares regardless of REL's operating performance. The market price of REL Shares may be subject to fluctuation and may be affected by many factors including (but not limited to) the general economic outlook, interest rates and inflation rates, currency fluctuations, commodity price fluctuations, changes in investor sentiment toward particular market sectors, the demand for, and supply of, capital and terrorism or other hostilities.

c) Exposure to the mining industry

REL provides services to the mining industry which has recently experienced a downturn due to falling commodity prices.

Commodity prices fluctuate and are affected by factors including the relationship between global supply and demand for product, forward selling by producers, the cost of production and general global economic conditions. Commodity prices are also affected by the outlook for inflation, interest rates, currency exchange rates and supply and demand issues.

If the market prices for the commodities produced by REL's customers (and potential customers) continue to fall below production costs and remain at such levels for any sustained period of time, it may not be economically feasible for those customers (or potential customers) to commence or continue production which may have an impact on the demand for the services that REL provides.

If there is a material decrease in demand for the services provided for REL, this may have an adverse impact on the financial position and operations of REL.

d) Financing and capital

REL's continued ability to effectively implement its business plan over time may depend in part on its ability to raise additional funds.

There can be no assurance that REL will generate sufficient cash flow, or that access to sufficient investments, loans or other financing alternatives will be secured on commercially acceptable terms.

e) Change of control risk under material debt facilities

As set out in section 7.7 of this Target's Statement, there are a number of REL's material debt facilities which contain restrictions on changes of control of REL.

If REL fails to obtain consent for a change in control in REL (as defined by the relevant facility agreement) there is a risk that REL may be in default under that facility. The consequences of such default are summarised in section 7.7 of this Target's Statement and may have an adverse impact on the financial position and operations of REL.

Section 6.4 of the Bidder's Statement outlines Pump Services' intentions if Pump Services has voting power in REL of 50.1% or more at the close of the Offer to gain effective control of REL, but without becoming entitled to compulsorily acquire the remaining REL Shares. Pump Services has stated if the existing debt facilities of REL are terminated as a result of a change of control, Pump Services, through its nominees on the REL Board, intends to recommend the replacement of those facilities with alternative financing facilities.

f) Termination of contracts for convenience

A number of REL's operational customer contracts may be terminated for convenience in accordance with their terms. Such a right of termination is in the ordinary course of business and is common in the hire business industry in which REL operates.

As a result, there is a risk that REL's customers could terminate contracts with REL for convenience, regardless of the Offer itself or the outcome of the Offer.

If numerous customer contracts were terminated, this may have an adverse impact on the financial position and operations of REL depending on the value of the particular contracts that are terminated (if any).

g) Reliance on key personnel

REL has benefited from having a high quality but small management team available. Loss of a number of key personnel may adversely affect REL.

REL's prospects depend in part on the ability of its executive officers, senior management and key consultants to operate effectively, both independently and as a group. REL must attract, retain and appropriately incentivise its staff.

As noted in section 7.5 of this Target's Statement, the Board has resolved to vest the REL Performance Rights that were on issue. As such, no staff are currently incentivised through equity arrangements.

In addition, Pump Services has stated that if it controls REL following the close of the Offer, it intends to propose that REL review the REL Incentive Plans to determine whether they are appropriate. Pump Services has stated it has not formed any views on the likely outcome of such a review.

In the event that it is determined that the REL Incentive Plans are not appropriate, REL will need to consider how it will incentivise staff. If REL fails to appropriately incentivise its staff, there is a risk that REL may not be able to retain current staff or attract new staff.

h) Litigation

Litigation risks relating to the REL Group include contractual claims, employee claims, regulatory disputes, joint venture claims and disputes and the costs associated with such claims and disputes. There is a risk that material or costly disputes could arise which may have a material adverse effect on the financial performance and position of REL.

i) Environmental risks and health and safety

The proposed activities and operations of REL are subject to Australian laws and regulations concerning the environment and health and safety matters. Although REL endeavours to conduct its activities in a safe and environmentally responsible manner, if it is responsible for environmental damage it may incur substantial costs for rehabilitation, emergency response and losses by third parties resulting from its operations. In addition, some of REL's activities are conducted in potentially hazardous conditions, which can lead to accidents resulting in significant trauma and loss of life and compensation claims or payments, some of which may not be insured.

5 Steps to be taken as a REL Shareholder

YOUR DIRECTORS UNANIMOUSLY RECOMMEND YOU ACCEPT THE OFFER IN THE ABSENCE OF A SUPERIOR PROPOSAL

However, as a REL Shareholder you have three options currently available to you. You are encouraged to read this Target's Statement and the Bidder's Statement in full and seek appropriate legal, financial and taxation advice before taking any action in response to the Offer.

Option 1 ACCEPT the Offer	<p>If you hold your REL Shares in an Issuer Sponsored Holding (Securityholder Reference Number beginning with "I"), you may sell your REL Shares to Pump Services by instructing any Broker, which may include Bell Potter (where Bell Potter is your existing Broker or you appoint Bell Potter as your Broker), to accept the Offer on your behalf before the end of the Offer Period.</p> <p>If you hold your REL Shares in a CHESS Holding (Securityholder Reference Number beginning with "X"), you may sell your REL Shares to Pump Services by instructing your Controlling Participant (for example, your Broker) to accept the Offer on your behalf before the end of the Offer Period.</p> <p>If you are a Controlling Participant, acceptance of the Offer must be initiated in accordance with rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.</p> <p>You should be aware that upon acceptance of the Offer you will not benefit if the Offer Price is subsequently increased, if a superior proposal is made by a third party or the price of REL Shares on ASX trades above the Offer Price. You may also be charged brokerage or other fees relating to processing your acceptance for which you will be liable and which will reduce the total consideration you receive.</p>
Option 2 Reject the Offer	<p>To reject the Offer, you do not need to do anything. If you wish to reject the Offer, you do not need to respond to any calls or correspondence from Pump Services.</p>
Option 3 Sell your REL Shares	<p>During the Offer Period, you may sell your REL Shares through ASX for cash (less any brokerage), provided you have not accepted the Offer for those REL Shares.</p> <p>You should contact your Broker for information on how to sell your REL Shares on ASX and your tax adviser to determine your tax implications of such a sale.</p> <p>You may incur a brokerage charge on the sale of your REL Shares.</p>

6 What you should know about Pump Services

6.1 Important information

The following information about Pump Services is based on public information, including information in the Bidder's Statement, and has not been independently verified. Accordingly, REL does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information on Pump Services in this Target's Statement should not be considered comprehensive. REL Shareholders should refer to section 4 of the Bidder's Statement for information about Pump Services.

6.2 Overview of Pump Services

Pump Services, LLC is a limited liability company incorporated in Delaware, USA. Pump Services is wholly-owned by Mr Walter Eugene (Loddie) Naymola Jr.

Pump Services has not undertaken any trading or other activities other than in connection with the Offer.

Pump Services is not registered in Australia as a foreign company. Registration as a foreign corporation provides some assistance to any person who seeks to litigate with Pump Services in Australia but does not alter the responsibility of Pump Services for its Bidder's Statement or its other actions.

6.3 Directors

As at the date of this Target's Statement, Mr Walter Eugene (Loddie) Naymola Jr. is the sole manager/director and shareholder of Pump Services.

7 Information regarding REL

7.1 Company overview

REL specialises in the supply of complete pumping and dewatering systems, power generation, air compressors and associated equipment to the following industry sectors:

- Mining
- Oil & Gas
- Heavy Engineering
- Infrastructure

7.2 Capital structure

REL has the following securities on issue as at the date of this Target's Statement:

Class	Number
REL Shares	444,392,258
REL Options	1,500,000

REL Shares are quoted on ASX. None of the other securities referred to above are quoted on ASX.

133,317,678 REL Shares are subject to voluntary escrow agreements. The terms of the voluntary escrow agreements provide that in the event a takeover bid is made for REL Shares, the escrow remains in place but the holder is permitted to accept into the offer. Therefore, holders of escrowed REL Shares may accept the Offer during the Offer Period.

7.3 Substantial REL Shareholders

Based on documents lodged with ASX, the following persons have substantial shareholdings in REL:

Name	Number of REL Shares	% of REL Shares
Pump Services, LLC and Walter Eugene Naymola Jr.	211,218,925	47.53%
Carosti Investments Pty Ltd acting in its capacity as trustee of the Carosti Investments Unit Trust	68,016,296	15.31%
Wyllie Funds Management Pty Ltd	23,467,077	5.28%

Name	Number of REL Shares	% of REL Shares
CFT (CMS) Pty Ltd and David James Campbell	44,439,226	10.00%
Ashsky Pty Ltd and David Gregory Hayes	44,439,226	10.00%
Roderick Andrew Hayes and Elaina May Hayes	44,659,149	10.05%
Anthony Gerard Ryder ATF Dynamic Investment Trust	28,493,413	6.41%

7.4 Impact of the Offer on REL Options

The Offer does not extend to REL Options.

There are 1,500,000 REL Options that have been granted under the DESOP at an exercise price of \$0.38 each and which are due to expire on 30 June 2018. 1,000,000 of these REL Options have vested and may be exercised at any time prior to their expiry date. The balance of 500,000 REL Options vest on 1 July 2015, however the DESOP Rules provide that any unvested Options may be exercised at any time during a takeover period. Accordingly these REL Options may be exercised at any time during the Offer Period.

If you are a REL Optionholder, you will need to exercise your REL Options and receive REL Shares prior to the end of the Offer Period if you wish to accept the Offer.

7.5 Impact of the Offer on REL Performance Rights

The Offer does not extend to REL Performance Rights.

Under the 2010 Performance Rights Plan approved by REL Shareholders on 8 September 2010 and amended on 29 November 2012, 101,766 REL Performance Rights are currently issued to various REL employees. REL Performance Rights granted under the 2010 Performance Rights Plan that have been earned but remain unvested will vest as a result of the Offer with the Board determining the time of vesting. The Board has resolved that REL Performance Rights granted under the 2010 Performance Rights Plan have vested, such that the holders of these REL Performance Rights are able to accept the Offer in respect of the resulting REL Shares that have been issued.

REL Shareholders approved the 2014 Performance Rights Plan, a new performance rights plan, on 18 November 2014 under which 11,357,142 REL Performance Rights are issued. REL Performance Rights granted under the 2014 Performance Rights Plan may be dealt with in the REL Board's absolute discretion upon the occurrence of a change of control event. The Board has resolved to vest the that REL Performance Rights granted under the 2014 Performance Rights Plan, such that the holders of these REL Performance Rights are able to accept the Offer in respect of the resulting REL Shares that have been issued.

7.6 Details of Directors

Your Directors as at the date of this Target's Statement are:

Name	Position
Mr Keith Lucas	Non-Executive Director
Mr Andrew Aitken	Managing Director and Chief Executive Officer
Mr Peter Hutchinson	Non-Executive Director
Mr Stephen Donnelley	Non-Executive Director
Mr Anthony Ryder	Executive Director

7.7 Change of control consequences on REL's material debt facilities

GE Facility

REL has entered into a loan facility agreement with GE Commercial Pty Ltd (**GE**) under which GE agreed to provide a \$25 million drawdown facility to REL (**GE Facility**).

Resource Equipment Rentals Pty Ltd, DSA Plant Co Pty Ltd and Dewatering Services Australia Pty Ltd are parties to the GE Facility as guarantors (the **Guarantors**) and have agreed to be jointly and separately liable for the guarantor's obligations under a guarantee and indemnity, including to pay amounts payable under the GE Facility.

The GE Facility is secured by a charge over the assets of REL, and charges over the assets of each of the Guarantors.

A change of control of REL triggers an event of default under the GE Facility. If there is an event of default, GE has broad powers under the GE Facility to demand repayment of amounts owed, and under the charges to take enforcement action, including demanding repayment, taking possession of and dealing with secured property, and appointing receivers to REL and/or the Guarantors.

The term "control" is defined to include the direct or indirect power to directly or indirectly direct the management or policies of REL or control the membership of its board of directors. As the Offer may trigger a change in control of REL under the GE Facility, REL has sought the written consent of GE to the change of control for the purposes of the GE Facility. As at the date of this Target's Statement, this consent has not yet been received.

NAB Facility

Campbell Mining Services has obtained a loan from National Australia Bank Limited (**NAB**) under a Master Asset Finance Agreement dated 8 May 2008 (**NAB Agreement**). Roderick Hayes and David Campbell are parties to the agreement as guarantors. The NAB Agreement is secured by a fixed and floating charge over all of Campbell Mining Services' properties by a charge dated 5 November 2008 (**NAB Charge**).

Under the NAB Agreement, it is a default of the agreement if there is a change in control of Campbell Mining Services without NAB's consent. The term "control" is defined to mean having the direct or indirect power to direct its management of or control the membership of its board of directors.

If there is a default under the NAB Agreement, NAB will be entitled to demand repayment of the loan at any time, and it has broad powers to take enforcement action under the NAB Charge, including demanding repayment and suing for repayment and appointing a receiver.

As the Offer may trigger a change in control of Campbell Mining Services under the NAB Agreement, REL has sought the written consent of NAB to the change of control for the purposes of the NAB Agreement. As at the date of this Target's Statement, this consent has not yet been received.

7.8 Changes in the financial position of REL

a) Trading update for the period to 30 November 2014

The unaudited management accounts of REL reflect a net loss before tax of \$1.3m on revenues of \$38.3m for the five months to 30 November 2014. Earnings before interest, depreciation, amortisation and taxation (EBITDA) were \$4.5m, before extraordinary items such as redundancy, legal and financial advisory fees (relating to the acquisition of Campbell Mining Services) of \$1.1m. REL had a net tangible asset position of \$88.8m as at that date.

For the avoidance of doubt, the unaudited management accounts for the 5 months to 30 November 2014 do not reflect any information relating to Campbell Mining Services other than the legal and advisory fees noted immediately above.

b) Half year results

REL plans to release its results for the six-month period ended 31 December 2014 on or before 28 February 2015, in accordance with ASX requirements.

c) Other material matters

On 28 November 2014, REL announced that it had completed the acquisition of Campbell Mining Services. REL issued 133,317,678 REL Shares to the vendors of Campbell Mining Services, which was approved by the REL Shareholders at REL's annual general meeting held on 18 November 2014. The Campbell Mining Services unaudited statement of financial position as at the date of acquisition by REL reported net tangible assets of \$11.2m.

Except as disclosed above, based on the most recent financial information available as at the date of this Target's Statement, the Directors are not aware of any other material changes to the financial position of REL since 30 November 2014.

7.9 Potential future acquisitions by REL

Consistent with REL's previously announced business strategy, REL is in the preliminary stages of reviewing a number of potential acquisitions as a normal part of its business.

None of these potential acquisitions will occur during the Offer Period and may not proceed at all. Should these preliminary confidential discussions progress, the Board of REL will need to make a determination at the relevant time whether to proceed with a transaction and on what terms. The Board of REL at the relevant time may be comprised of different Directors than currently sit on the REL Board, and may comprise nominees of Pump Services.

Any decision to proceed with a transaction will be announced to the market as required by the ASX Listing Rules and the Corporations Act.

Any such acquisition is likely to be funded by debt or equity or a combination thereof.

7.10 Issue of 'earn out' Shares

As announced to the market on 25 September 2014, REL entered into a share sale agreement with the owners of Campbell Mining Services and Ramps Australia Pty Ltd (**RAMPS**) to acquire all of the issued share capital of Campbell Mining Services (other than the shares owned by RAMPS) and all of the issued share capital of RAMPS (**Share Sale Agreement**).

REL completed the acquisition of Campbell Mining Services on 28 November 2014 (**Completion**).

At REL's annual general meeting held on 18 November 2014, REL Shareholders approved the potential issue of 'earn out' Shares to the vendors of Campbell Mining Services and the vendors of RAMPS approximately 16 months from Completion.

Mr Walter Eugene (Loddie) Naymola Jr. (the sole manager/director and shareholder of Pump Services) is both a vendor of Campbell Mining Services and a vendor of RAMPS.

The trigger for the issuance of the 'earn out' Shares is based on achievement of the total REL, Campbell Mining Services and RAMPS "Normalised" earnings before interest, tax, depreciation and amortisation for the twelve month period from completion (**Combined EBITDA**) of not less than \$21 million. The precise number of 'earn out' Shares to be issued will then increase on a pro rata basis, achieving the maximum number of 'earn out' Shares to be issued at a Combined EBITDA of \$22 million.

As disclosed in REL's notice of annual general meeting for the meeting held on 18 November 2014, the maximum total number of 'earn out' Shares that may be issued to the vendors of Campbell Mining Services and the vendors of RAMPS is 19,898,160 (of which a maximum of 6,632,270 'earn out' Shares may be issued to Mr Walter Eugene (Loddie) Naymola Jr.).

8 Taxation considerations for REL Shareholders

8.1 Introduction

The Australian taxation consequences of accepting the Offer depend on a number of factors and will vary depending on your particular circumstances.

Please note, the tax comments set out below are general and limited in nature and are based on a number of assumptions. For example, this section assumes the Offer occurs as planned and that REL Shares are held on capital account. In addition, this section does not address the tax implications applicable to REL Shareholders who are engaged in a business of trading or investment, those who acquired their REL Shares for the purpose of resale at a profit or those which are banks, insurance companies, tax exempt organisations, superannuation funds or persons subject to the rules relating to the taxation of financial arrangements in Division 230 of the *Income Tax Assessment Act 1997* (Cth) or persons who acquired their shares in respect of their employment with, or provision of services for, REL (or an associated company), who may be subject to special or different tax consequences particular to their circumstances.

The tax comments set out below in relation to non-Australian resident shareholders do not apply to REL Shareholders who have used their REL Shares at any time in carrying on business through an Australian permanent establishment. If the shares are so held, independent advice should be sought.

The comments set out below are based on the tax laws of Australia as in effect at the date of this Target's Statement, including any regulations made under those laws (collectively the **Tax Laws**), but are not intended to be an authoritative or complete statement of the Tax Laws applicable to the particular circumstances of every REL Shareholder. Reliance should not be placed on this section and REL Shareholders should instead seek professional tax advice taking into account their own particular facts and circumstances.

8.2 Disposal of REL Shares – Australian resident shareholders

a) General CGT consequences

In broad terms, for those REL Shareholders who are Australian residents and who hold their shares on capital account, any disposal of shares occurring as a result of acceptance of the Offer will give rise to a CGT event. The CGT event will result in a capital gain for REL Shareholders if the capital proceeds (being the value of the Offer consideration) received on disposal of the REL Shares is greater than the cost base of those shares and a capital loss will result if the reduced cost base of the REL Shares is greater than the capital proceeds.

Under the terms of the Offer, REL Shareholders who accept the Offer will receive \$0.26 for each REL Share sold under the Offer. The value of the Offer consideration received by REL Shareholders will generally be the capital proceeds amount for the purposes of calculating any capital gain or loss that arises on disposal of REL Shares under the Offer.

The cost base or reduced cost base of REL Shares should include the acquisition cost of REL Shares and certain incidental costs. There are special rules in the Australian tax law that affect how the cost base and reduced cost base of assets are determined in particular circumstances and this could affect the cost base or reduced cost base of REL Shares.

Any capital gain or loss that arises as a result of the disposal of REL Shares will arise in the income year in which the CGT event occurs. The time of the CGT event should be the date on which the Offer is accepted by the REL Shareholder.

Subject to the CGT discount discussed below, capital gains and losses of a taxpayer in a year of income are aggregated to determine whether the taxpayer has a net capital gain or loss for that period. Any net capital gain, after applying carried forward capital losses, is subject to income tax at the taxpayer's marginal rate.

Capital losses may be offset, subject to meeting certain conditions, against capital gains realised in the same year of income. A net capital loss for an income year can only be carried forward, subject to meeting certain conditions, to offset capital gains in future income years.

b) CGT discount

REL Shareholders, other than shareholders which are companies, who dispose of their REL Shares under the Offer may be eligible for the CGT discount concession in respect of any capital gain arising on the disposal of REL Shares where the REL Shares have been held for not less than 12 months prior to the time of the CGT event, excluding the days of acquisition and disposal.

The CGT discount percentage is applied to the amount of the capital gain after offsetting any current year or carried forward capital losses. The CGT discount percentage is 50% for individuals and trusts, and 33^{1/3} % for complying superannuation funds.

Where REL Shares are held on revenue or trading account, any profit on sale will be ineligible for the CGT discount.

The CGT discount is not available for companies.

8.3 Disposal of REL Shares – non-resident shareholders

Generally, a REL Shareholder who is not a resident for Australian tax purposes and who holds their REL Shares on capital account will not be subject to CGT on the disposal of their REL Shares unless, broadly:

- (i) the non-resident shareholder acquired the REL Shares whilst a resident of Australia, and elected to continue treating the REL Shares as taxable Australian property upon ceasing to be a resident of Australia; or
- (ii) the non-resident shareholder holds a “non-portfolio interest” in REL and the REL Shares pass the “principal asset” test.

Broadly a non-resident REL Shareholder will hold a “non-portfolio” interest in the company if they own, or owned throughout a 12 month period during the two years preceding disposal of their REL Shares, at least 10% of REL's share capital.

REL Shares will pass the “principal asset test” if, at the time the Offer is accepted, the market value of REL direct and indirect interests in Australian land is more than the market value of its other assets. This may require detailed calculations. If you hold a “non-portfolio interest”, you should contact REL to determine whether its interests in land exceed that threshold.

Even if these criteria are satisfied, the CGT treatment of the disposal may be affected by any Double Tax Agreement (**DTA**) between Australia and the REL Shareholder’s country of residence.

Where a non-resident REL Shareholder buys and sells shares in the ordinary course of business, or acquired their REL Shares for resale at a profit, any gain could be taxed in Australia as ordinary income and not as a capital gain (subject to any relief under a DTA in force between Australia and the country of residence of the non-resident REL Shareholder). It is recommended that non-resident REL Shareholders seek their own advice in this regard.

The 50% CGT discount referred to in section 8.2(b) for residents has generally been removed for non-residents; however, this is subject to complex transitional rules and specific advice should be sought.

8.4 GST

REL Shareholders will not be liable for GST on the disposal of their REL Shares to Pump Services.

However, there may be some restrictions imposed upon REL Shareholders in respect of their ability to recover the GST cost of their transaction costs in relation to the disposal of their REL Shares.

8.5 Stamp duty

REL Shareholders will not be liable for stamp duty on the disposal of their REL Shares to Pump Services.

9 Additional information

9.1 Interests of Directors

a) Interests in securities in REL

Details of REL Shares and REL Options in which each Director has a Relevant Interest as at the date of this Target's Statement are as follows:

Director	REL Shares	REL Options
Mr Keith Lucas	Nil	Nil
Mr Andrew Aitken	11,357,142	Nil
Mr Peter Hutchinson	Nil	Nil
Mr Stephen Donnelley	68,016,296 ¹	Nil
Mr Anthony Ryder	28,496,993 ²	Nil

Notes:

1. The REL Shares are held by Carosti Investments Pty Ltd ACN 167 518 407 acting in its capacity as trustee of the Carosti Investments Unit Trust (the "Trust"). Stirhill Investments Pty Limited ACN 168 832 380 acting in its capacity as trustee of the Stirhill Investments Trust (the "Stirhill Trust") is a unitholder of the Trust. Donstrad Pty Limited ACN 127 684 495 acting in its capacity as trustee of the Donstrad No. 1 Trust (the "Donstrad Trust") is a unitholder of the Stirhill Trust. Stephen Donnelley is a general beneficiary of the Donstrad Trust. Mr Donnelley is not a director or shareholder of Carosti Investments Pty Ltd and does not control Carosti Investments Pty Ltd.
2. The REL Shares are held by Anthony Gerard Ryder as Trustee for The Dynamic Investments Trust.

b) Dealings in securities in REL

Mr Andrew Aitken was issued 11,357,142 REL Performance Rights in November 2014 following REL Shareholder approval at REL's 2014 annual general meeting. These Performance Rights have vested and 11,357,142 REL Shares have been issued as a result of such vesting.

Mr Anthony Ryder was issued 185,769 REL Shares on 19 September 2014 as a result of the vesting of 185,769 REL Performance Rights and a further 3,580 REL Shares were issued on 24 December 2014 as a result of the vesting of 3,580 REL Performance Rights.

Messrs Lucas and Hutchinson have already accepted the Offer in respect of all REL Shares which they held or controlled on the Announcement Date, being 27,186,026 and 400,000 REL Shares respectively.

Other than as disclosed above, no Director acquired or disposed of a Relevant Interest in any REL Shares or REL Options during the four month period ending on the date immediately before the date of this Target's Statement.

c) Interests in securities of Pump Services

No Director has a Relevant Interest in Pump Services securities.

d) Dealings in securities of Pump Services

Neither REL nor any Director acquired or disposed of a Relevant Interest in any securities in Pump Services during the four month period ending on the date immediately before the date of this Target's Statement.

e) Agreements and benefits conditional on or connected with the Offer

No Director is a party to any agreement or arrangement with, and no Director is entitled to receive any benefit from Pump Services which is conditional on or connected with the Offer save in his capacity as a REL Shareholder.

f) Contracts with REL

No Director is entitled to receive any benefit from REL which is conditional on or connected with the Offer.

g) Payments and benefits

Except as disclosed in this Target's Statement, other than a benefit permitted under section 200F of the Corporations Act, no benefit is proposed to be given to a Director:

- (i) in connection with his retirement from office at REL or a related body corporate of REL; or
- (ii) in connection with the transfer of the whole or any part of the undertaking or property of REL.

To the extent permitted by law and subject to restrictions in the Corporations Act, REL indemnifies each Director against any liabilities arising as a result of the Director acting as an officer of REL.

REL has also paid a premium in respect of a contract insuring all directors, secretaries and officers of REL against liabilities incurred in their capacity as a director or officer, as the case may be, of REL. The period of the policy extends from 30 September 2014 (being the renewal) until 30 September 2015 or when Pump Services acquires the business or assets of REL, whichever the earlier.

9.2 Continuous disclosure

REL is a disclosing entity and is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules. These require REL to announce price sensitive information as soon as it becomes aware of the information, subject to exceptions for confidential information.

Copies of documents filed with ASX by REL may be obtained from the ASX website at www.asx.com.au or from the REL website at www.rel.com.au. Copies of documents lodged with ASIC in relation to REL may also be obtained from, or inspected at, an ASIC office.

A list of documents filed with ASX by or concerning REL since its last Annual Report until close of trading on ASX on 23 December 2014 (being the date prior to the date of this Target's Statement) is set out in the table below.

Date	Announcement
23 December 2014	Change of interests of substantial holder
22 December 2014	Change of interests of substantial holder
22 December 2014	Change of Director's Interest Notice
19 December 2014	Ceasing to be a substantial holder
19 December 2014	Change in substantial holding
18 December 2014	Bidder's Statement
18 December 2014	Broker Statement - On Market Takeover Bid
18 December 2014	Directors' Statement re Takeover
17 December 2014	Request for Trading Halt
17 December 2014	Trading Halt
10 December 2014	Change of Director's Interest Notice
9 December 2014	Change in substantial holding
8 December 2014	Change in substantial holding
3 December 2014	Change in substantial holding
2 December 2014	Change in substantial holding
2 December 2014	Becoming a substantial holder
2 December 2014	Becoming a substantial holder
2 December 2014	Becoming a substantial holder
2 December 2014	Becoming a substantial holder
2 December 2014	Change in substantial holding
1 December 2014	Change in substantial holding
28 November 2014	Becoming a substantial holder
28 November 2014	Appendix 3B
28 November 2014	Appendix 3B
28 November 2014	Completion of Acquisition of Campbell Mining Services
18 November 2014	Results of AGM
18 November 2014	Chairman's and CEO's AGM presentation
22 October 2014	Response to ASX Appendix 3Y Query
16 October 2014	Notice of Annual General Meeting/Proxy Form
2 October 2014	20141002 ASX Waiver Listing Rule 7.3.2
25 September 2014	Appendix 3Y
25 September 2014	Acquisition of Campbell Mining Services

9.3 Consent to inclusion of Statements

Each of the persons listed below has given and has not, before the lodgement of this Target's Statement with ASIC, withdrawn their consent to the inclusion of the following information in this Target's Statement in the form and context in which it is included and to all references in this Target's Statement to that information in the form and context in which they appear:

- (i) each Director, to being named as a director; and
- (ii) Gilbert + Tobin, to being named in this Target's Statement as legal advisers to REL.

Each person named above as having given its consent to the inclusion of a statement or report or to being named in this Target's Statement:

- (iii) does not make, or purport to make, any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based other than, in the case of a person referred to above as having given their consent to the inclusion of a statement or report, a statement or report included in this Target's Statement with the consent of that person; and
- (iv) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Target's Statement, other than a reference to its name and, in the case of a person referred to above as having given their consent to the inclusion of a statement or report, any statement or report which has been included in this Target's Statement with the consent of that person.

As permitted by ASIC Class Order 13/521, this Target's Statement contains statements which are made, or based on statements made, in documents lodged with ASIC or ASX (in compliance with the ASX Listing Rules), including the Bidder's Statement. Pursuant to this Class Order, the consent of persons to which such statements are attributed is not required for the inclusion of those statements in this Target's Statement.

Any REL Shareholder who would like to receive a copy of any of the documents (or parts of the documents) that contain the statements which have been included pursuant to ASIC Class Order 13/521 may obtain a copy free of charge by writing to the REL Company Secretary or by contacting the REL shareholder information line on 1800 992 793 (within Australia) or +61 1800 992 793 (outside Australia) at any time between 8:30am and 5:30pm (Sydney time) on Monday to Friday.

Copies of all announcements by REL may also be obtained from REL's website at www.rel.com.au.

In addition, as permitted by ASIC Class Order 07/429, this Target's Statement contains share price trading data sourced from IRESS and Bloomberg without their consents.

9.4 Material litigation

As at the date of this Target's Statement, REL is not aware of any current or proposed litigation or dispute that is material.

9.5 ASIC declarations and Listing Rule waivers

REL has not been granted any modifications or exemptions by ASIC from the Corporations Act in connection with the Offer.

REL has not been granted any waivers from ASX in relation to the Offer.

9.6 No other material information

This Target's Statement is required to include all the information that REL Shareholders and their professional advisers would reasonably require to make an informed assessment of whether to accept the Offer, but:

- (i) only to the extent to which it is reasonable for investors and their professional advisers to expect to find this information in this Target's Statement; and
- (ii) only if the information is known to any Director.

Your Directors are of the opinion that the information that REL Shareholders and their professional advisers would reasonably require to make an informed assessment of whether to accept the Offer is:

- (i) the information contained in the Bidder's Statement;
- (ii) the information which has been previously disclosed by REL as a disclosing entity in accordance with its continuous disclosure and reporting obligations to ASX and ASIC;
- (iii) the information contained in REL releases to ASX prior to the date of this Target's Statement; and
- (iv) the information contained in this Target's Statement.

In deciding what information should be included in this Target's Statement, your Directors have had regard to:

- (i) the nature of the REL Shares (being fully paid ordinary shares);
- (ii) the matters which REL Shareholders may reasonably be expected to know;
- (iii) the fact that certain matters may reasonably be expected to be known to the professional advisers of REL Shareholders; and
- (iv) the time available to REL to prepare this Target's Statement.

Your Directors do not take any responsibility for the contents of the Bidder's Statement and are not to be taken as endorsing, in any way, any or all of the statements contained in it.

10 Approval of Target's Statement

This Target's Statement has been approved by a resolution of the REL Board.

Signed for and on behalf of REL

A handwritten signature in dark ink, consisting of a large, stylized 'A' followed by a horizontal line that curves upwards at the end.

Andrew Aitken
Dated 24 December 2014

11 Glossary

11.1 Definitions

In this Target's Statement, unless the context otherwise requires:

A\$, \$, or AUD means the currency of Australia.

Announcement Date means the date of the announcement of the Offer by Pump Services, being 18 December 2014.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given to that term in section 12(2) of the Corporations Act.

ASX means ASX Limited ACN 008 624 691, and where the context requires, the Australian Securities Exchange.

ASX Listing Rules means the official listing rules of ASX as amended, varied, modified or waived from time to time.

ASX Settlement means ASX Settlement Pty Ltd ABN 49 008 504 532.

ASX Settlement Operating Rules means the operating rules of ASX Settlement which govern the administration of the Clearing House Electronic Sub-register System.

Bell Potter means Bell Potter Securities Limited, the Broker appointed by Pump Services to the Offer.

Bidder or Pump Services means Pump Services, LLC a company incorporated in Delaware, USA.

Bidder's Statement means the statement of Pump Services under Part 6.5 Division 2 of the Corporations Act relating to the Offer lodged by Pump Services with ASIC on 18 December 2014.

Broker means a person who is a share broker and a participant in CHESS.

Business Day means a day on which banks are open for business in Australian Western Standard Time, excluding a Saturday, Sunday or public holiday.

Campbell Mining Services means Campbell Mining Services Pty Ltd (ACN 100 097 112).

CGT means capital gains tax.

CHESS Holding means a number of REL Shares which are registered in the register of members of REL being a register administered by ASX Settlement and which records uncertificated holdings of REL Shares.

Company or REL or Target means Resource Equipment Limited ABN 83 098 812 492.

Control has the meaning given in section 50AA of the Corporations Act.

Controlling Participant in relation to your REL Shares, has the same meaning as in the ASX Settlement Operating Rules.

Corporations Act means the *Corporations Act 2001* (Cth).

DESOP means the Directors and Executives Share Option Plan of REL.

Director means a director of the Company.

Foreign Shareholder means a REL Shareholder with a registered address outside of Australia.

IRESS means IRESS Limited ABN 47 060 313 359.

Issuer Sponsored Holdings means a holding of REL Shares on a REL issuer sponsored sub-register.

Offer means the offer for REL Shares under the terms and conditions contained in the Bidder's Statement.

Offer Period means the period during which the Offer will remain open for acceptance in accordance with the Bidder's Statement.

Offer Price means the consideration offered under the Offer for each REL Share. As at the date of this Target's Statement, that consideration is \$0.26 in cash for each REL Share held by a REL Shareholder.

Pump Services Group means Pump Services and its Related Entities.

REL Board or **Board** means the board of Directors of REL.

REL Group means REL and each of its subsidiaries.

REL Incentive Plan means any incentive plan operated by REL for the benefit of executives or employees of members of REL Group including the DESOP, the 2010 Performance Rights Plan and the 2014 Performance Rights Plan.

REL Optionholder means a person registered in the register of options of REL as a holder of one or more REL Options.

REL Option means an option to subscribe for a REL Share issued under a REL Incentive Plan.

REL Performance Right means a performance right issued under a REL Incentive Plan.

REL Shareholder or **Shareholder** means a person registered in the register of members of REL as a holder of one or more REL Shares.

REL Shares or **Shares** means fully paid ordinary shares in the capital of REL.

Related Entity means:

- (a) in respect of Pump Services, an entity or person that:
 - (i) Controls Pump Services;
 - (ii) is under the Control of Pump Services; or

(iii) is under the Control of another entity or person that also Controls Pump Services; and

(b) in respect of REL, an entity that is under the Control of REL.

Relevant Interest has the same meaning as given to it in sections 608 and 609 of the Corporations Act.

Target's Statement means this document being the statement of REL under Part 6.5 Division 3 of the Corporations Act relating to the Offer.

Trading Day has the meaning ascribed to that term in the ASX Listing Rules.

VWAP means volume weighted average price.

11.2 Interpretation

In this Target's Statement, unless the context otherwise requires:

- (a) the singular includes the plural and vice versa;
- (b) a reference to an individual or person includes a corporation, firm, partnership, joint venture, association, authority, trust, state or government and vice versa;
- (c) a reference to any gender includes all genders;
- (d) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (e) a term not specifically defined in this Target's Statement has the meaning given to it (if any) in the Corporations Act or the ASX Settlement Operating Rules, as the case may be;
- (f) unless otherwise specified, a reference to a section, clause, annexure or schedule is to a section, clause, annexure or schedule of or to this Target's Statement;
- (g) a reference to any agreement or document is to that agreement or document (and, where applicable, any of its provisions) as amended, novated, supplemented or replaced from time to time;
- (h) a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any subordinate legislation under, that legislation or legislative provision;
- (i) the words "including", "such as", "particularly" and similar expressions do not imply limitation; and
- (j) headings are for convenience of reference only and do not affect interpretation.

12 Corporate Directory

Resource Equipment Limited	Board of Directors
276 Treasure Road, Welshpool, WA, 6106 Tel: +61 8 6141 6500 Fax: +61 8 9258 9804 Web: www.rel.com.au ASX: RQL	Mr Andrew Aitken (Managing Director, CEO) Mr Anthony Ryder (Executive Director) Mr Stephen Donnelley (Non Exec. Director) Mr Peter Hutchinson (Non Exec. Director) Mr Keith Lucas (Non Exec. Director)
Legal Adviser	Auditor*
Gilbert + Tobin 1202 Hay Street West Perth WA 6005	PricewaterhouseCoopers 15/125 St Georges Terrace, Perth WA 6000
Share Registry*	Shareholder Information Line
Computershare Investor Services Pty Limited Level 2 45 St Georges Terrace Perth WA 6000 Within Australia – 1300 850 505 Outside Australia - +61 3 9415 4000	Within Australia - 1800 992 793 Outside Australia - +61 1800 992 793

** These entities are included for information purposes only. They have not been involved in the preparation of this Target's Statement and have not consented to being named in this Target's Statement.*