



ASX announcement

24 December 2014

RESOURCE EQUIPMENT LTD RELEASES TARGET'S STATEMENT

The Board of Resource Equipment Limited (ASX: RQL) (Company or REL) advises that it has today released its Target's Statement in relation to the previously announced on-market cash offer by Pump Services, LLC to acquire all of the issued shares in REL for \$0.26 per share (Offer).

A copy of the Target's Statement follows this announcement and will be sent to REL shareholders in the coming days.

The REL Board unanimously recommends that shareholders ACCEPT the Offer in the absence of a superior proposal for the following reasons:

- The Offer is at a significant premium to the trading price of REL shares over a range of time periods prior to the announcement of the Offer, including an 86% premium to the closing price of \$0.14 on 16 December 2014, the last full trading day in REL's shares prior to announcement of the Offer.
- The price of REL shares is likely to fall in the absence of the Offer.
- The liquidity of REL shares is already low and the Offer provides shareholders with an opportunity to sell their REL shares.
- The Offer price of \$0.26 per share provides shareholders with a certain cash value for their REL shares and shareholders will be paid cash quickly (i.e. 3 Trading Days) after accepting the Offer.
- No other offer has been made to purchase REL shares and there is no current indication that there will be a competing proposal.
- As at the date of the close of ASX trading on 23 December 2014, Pump Services, LLC has a relevant interest in 47.53% REL shares.

Further details on the reasons for the Board's recommendation are set out in the Target's Statement (section 2), along with risks in rejecting and accepting the Offer (section 4).

Shareholders can accept the Offer by instructing their broker to sell their shares on the Australian Securities Exchange at the offer price prior to the offer expiry date. Any fees or other charges of brokers or controlling participants will be the sole responsibility of the accepting REL shareholder.

Shareholders with questions in relation to the offer can call the REL Shareholder Information Line on 1800 992 793 from within Australia or +61 1800 992 793 from overseas. Further information is also available on the REL website: www.rel.com.au.

Further Information

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