

19 January 2015

By ASX online platform

Companies Announcement Office
ASX Limited
Level 40, Central Park
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PERTH WA 6000

Dear Sirs

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

In accordance with section 647(3)(b) of the *Corporations Act 2001* (Cth), we enclose a copy of the second supplementary target's statement dated 8 January 2015 (**Second Supplementary 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 Second Supplementary 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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SECOND SUPPLEMENTARY TARGET'S STATEMENT

This document is dated 19 January 2015 and is a supplementary target's statement under section 644 of the Corporations Act 2001 (Cth). It is the second supplementary target's statement (**Second Supplementary Target's Statement**) issued by Resource Equipment Limited 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 the fully paid ordinary shares in the capital of REL.

This Second Supplementary Target's Statement supplements, and should be read together with, REL's target statement dated 24 December 2014 and first supplementary target's statement dated 8 January 2015 (together, **Target's Statement**).

THE DIRECTORS OF RESOURCE EQUIPMENT LTD CONTINUE TO UNANIMOUSLY RECOMMEND, IN THE ABSENCE OF A SUPERIOR PROPOSAL, THAT YOU ACCEPT THE CASH OFFER OF \$0.26 PER REL SHARE FROM PUMP SERVICES

Acceptance of Offer by Mr Ryder

REL Director, Mr Anthony Ryder has now accepted the Offer in respect of all REL Shares which he holds or controls. Accordingly, Mr Ryder no longer holds a Relevant Interest in any REL securities.

As previously disclosed, REL Directors, Messrs Lucas, Hutchinson and Aitken have already accepted the Offer in respect of all REL Shares which they held or controlled at the relevant date of acceptance. Although REL Director Mr Donnelley has a Relevant Interest in REL Shares as disclosed in section 9.1 of the Target's Statement, Mr Donnelley does not hold or control those REL Shares.

Change of control of REL

As at the close of ASX trading on 16 January 2015 Pump Services has acquired a Relevant Interest in 51.42% of REL's Shares, and has therefore gained majority control of REL.

REL Shareholders should also be aware that, given Pump Services' Relevant Interest of 51.42% in REL Shares Pump Services has certain intentions for REL. These intentions are set out in section 3.13 of the Target's Statement and section 6.4 of the Bidder's Statement.

Directors' recommendation and reasons

The REL Directors unanimously recommend that shareholders **ACCEPT** the Offer in the absence of a superior proposal for the following reasons:

- (a) 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 REL's pre announcement closing price of \$0.14.
- (b) The price of REL Shares is likely to fall in the absence of the Offer.
- (c) The liquidity of REL Shares is already low and the Offer provides REL Shareholders with an opportunity to sell their REL Shares.
- (d) The Offer price of \$0.26 per REL Share provides REL Shareholders with a certain cash value for their REL Shares and REL Shareholders will be paid cash quickly (i.e. 3 trading days) after accepting the Offer.
- (e) No other offer has been made to purchase REL Shares and there is no current indication that there will be a competing proposal.

Further details surrounding these risks are set out in section 2 of the Target's Statement.

Risks associated with not accepting the Offer

As noted in the Target's Statement, there are risks associated with not accepting the Offer, including:

- (a) 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.
- (b) Minority shareholding consequences.
- (c) Possible delisting of REL.
- (d) Compulsory acquisition consequences.
- (e) Potential loss of key employees.

The likelihood of these risks eventuating increases as Pump Services' Relevant Interest in REL Shares increases. Further details surrounding these risks are set out in section 4.2 of the Target's Statement.

How to accept

Shareholders can accept the Offer by selling their shares through their usual broker on the ASX at the Offer Price before the Offer closes. Your Broker or Controlling Participant may charge brokerage or other fees. These will be to the account of the relevant REL Shareholder and will reduce the consideration received by the relevant REL Shareholder for their REL Shares.

Pump Services' Offer is not subject to any conditions and is scheduled to close at 4.00pm (Sydney time) on Tuesday 3 February 2015.

Additional Information

REL has established the REL shareholder information line which REL Shareholders may call if they have any queries in relation to the Offer. REL Shareholders may 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.

Each Director has given and has not, before the date of this Second Supplementary Target's Statement, withdrawn their consent to be named in this Second Supplementary Target's Statement and to the inclusion of statements made by them.

Unless the context otherwise requires, terms defined in the Target's Statement have the same meaning in this Second Supplementary Target's Statement.

This Second Supplementary Target's Statement prevails to the extent of any inconsistency with the Target's Statement.

This Second Supplementary Target's Statement is dated 19 January 2015 and a copy of this Second Supplementary Target's Statement was lodged with ASIC and ASX on that date. None of ASIC, ASX nor any of its respective officers takes any responsibility for the contents of this Second Supplementary Target's Statement.

Authorisation

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

Signed for and on behalf of REL:



Andrew Aitken
Executive Director
Dated 19 January 2015