

ASX/MEDIA RELEASE
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NEW LOOK RER GROUP LTD DELIVERS MAIDEN PROFIT RESULT

Perth: RER Group Ltd (ASX:RGD) today announced a net profit of \$3.8 million on revenues of \$14.1 million for the half-year ended 31 December 2009.

This result is the first since the Company emerged as a specialist equipment provider to the resources sector following the divestment of its former debt collection operations, conducted under the Company's previous name of Repcol Limited.

Whilst there is no direct prior year comparison available, the results of the new subsidiary, Resource Equipment Rentals Pty Ltd, reflected a 54% increase in underlying EBITDA compared to the same period last year.

RER's Chief Executive Officer, Mr James Cullen said that the board was pleased with the results for the first six months. "The acquisition has bedded down very quickly and the business' revenue and customer base has grown.

There are a number of opportunities for growth, both geographically and through the deployment of our expanding fleet of specialist equipment in what looks to be sound market conditions for at least the next few years."

In line with previous guidance, the Board has not declared an interim dividend and does not expect to declare a dividend for at least the next year given the Company's capital equipment financing requirements and taking into account the absence of franking credits.

The balance sheet reflects a healthy financial position with net gearing of 21%.

The Company is focussed on developing further opportunities for its specialist equipment fleet in the resources sector.

The recent expansion into the Queensland and NSW markets remains promising, as highlighted by a number of new contracts that have been secured with blue chip clients. The outlook for the core Western Australian market remains strong with solid tendering activities pointing to positive market conditions for the foreseeable future.

It should be noted, however, that a number of recent project opportunities are experiencing longer than expected lead times and delayed decisions and this may restrict growth in the third quarter of this financial year.

276 Treasure Road
Welshpool WA 6106
PO Box 328
Welshpool DC WA 6986

T +61 8 9458 3111
F +61 8 9258 9804
E admin@rergroup.com.au
www.rergroup.com.au



The Company is currently expanding its Western Australian facilities to address capacity constraints and expects the expansion to be completed by June 2010. Whilst there will be an impact from additional costs, the increased capacity is necessary to accommodate expected future growth.

A number of key executive appointments were made during the half-year to strengthen the sales and marketing activities of the business, with a particular emphasis on building a dedicated oil and gas division servicing the pipeline testing market.

The Company remains alert for acquisition opportunities that may arise, however, management's principal focus is on building the Australian business and managing its growth in a sensible manner. International expansion is expected to follow.

For further information contact:

Mr James Cullen
Chief Executive Officer
Telephone: (61 8) 9458 3111
Email: jamie.cullen@rergroup.com.au