

RER GROUP LIMITED



CUSTOM DESIGNED
EQUIPMENT SOLUTIONS

2009 Annual General Meeting

TOUGH
JOBS.
SMART
SOLUTIONS.

RER GROUP LIMITED

AGENDA

➤ **Chairman's Address**

Chief Executive's Address

Ordinary Business

General Business

Closure

MR JOHN SALEEBA

Chairman's Address

RER GROUP LIMITED

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2009 HIGHLIGHTS AND ACHIEVEMENTS – CORPORATE TRANSFORMATION COMPLETE

- Divestment of traditional debt collection activities
- Acquisition of specialist mining services business – Resource Equipment Rentals
- 16:1 share capital consolidation
- \$8.5 million capital raising oversubscribed in difficult financial market conditions
- Board reconstructed to suit new business direction
- New headquarters and new name
- Emerged with stable and supportive shareholder base (including RER's founders - now the two largest shareholders)
- Balance sheet transformed (net assets increasing from \$8m to \$31m)
- Market capitalisation increased from circa \$10m to \$50m

RECAP ON THE RER BUSINESS

- Market leading “solutions driven” business servicing the mine water management/dewatering and oil & gas pipeline testing markets
- Majority of revenues generated from dewatering – these services are “mission critical” and often long term, leading to recurring revenues
- RER’s point of difference is the customisation of equipment and related infrastructure versus the traditional “off the shelf” model. Customisation typically takes 1 to 2 months - system is fully tested in-house, installed, commissioned and maintained by RER



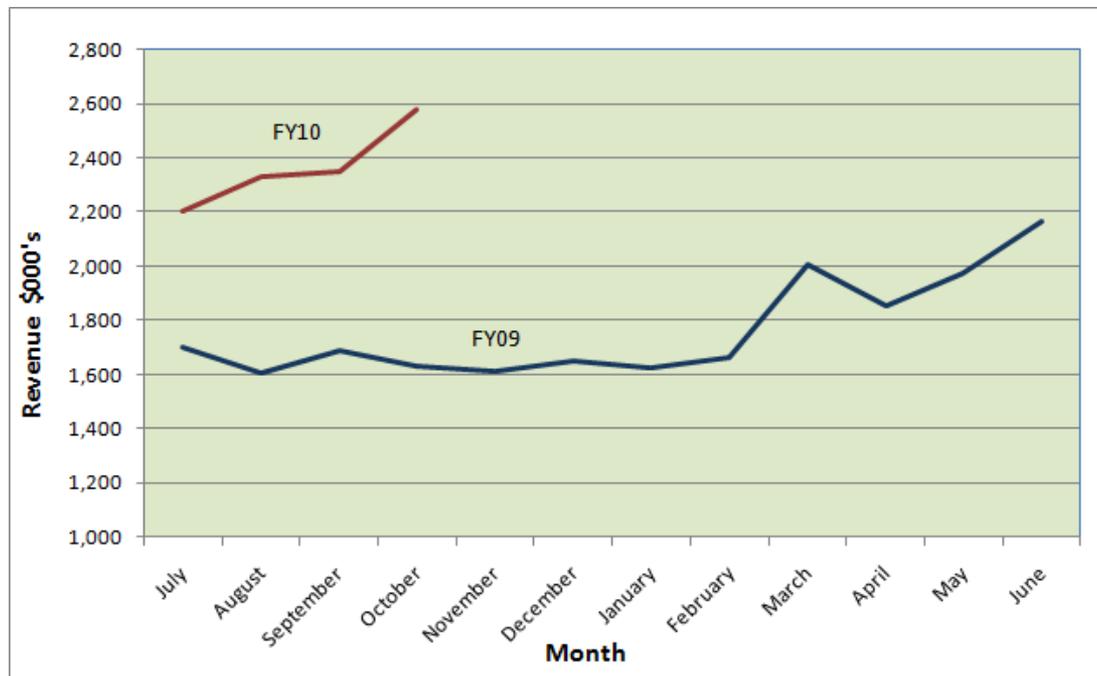
RECAP ON THE RER BUSINESS

- RER equipment is large, where financial and technical barriers exist. It is technologically enhanced to:
 - Eliminate or minimise human involvement through auto start up/shut down controls
 - Reduce operating costs to client through fuel efficient engines and specialist fleet selection and customisation to suit client application
 - Minimise breakdowns, maintenance and downtime using expertise in fleet selection and automated controls
 - Meet the highest environmental standards by supplying “tier 3” engines (low emissions)
- Strong management team with significant in-house expertise
- Blue chip client base
- Excellent safety record – over 2,000 days LTI free
- Strong presence in WA (since 2003); recently entered Queensland (Dec 2008) and NSW (March 2009)



TRADING UPDATE

- Solid start to 2010 year with growth continuing – well ahead of same time last year (refer monthly revenues graph below)
- Secured various contracts in WA and Queensland (including first project for exclusive fleet of new evaporation units); first two contracts recently secured in NSW
- Quoting levels at record highs - pricing a range of work in WA, QLD, NSW and Victoria
- Expect further increases in monthly revenues as new long term contracts are secured
- Continuing theme of virtually no customer attrition



TRADING UPDATE

- Capex spending largely driven by demand – expect approximately \$12 million in new fleet investment in FY10
- Also remain opportunistic to purchase quality fleet from forced sales situations – recently secured \$1.8 million acquisition of significant range of “as new” pumping equipment for 20% of new cost
- Investing in business systems, processes and infrastructure (safety management system, HR processes, risk management, IT, financial reporting, quality control) to accommodate future anticipated growth in a controlled environment
- Expanding premises to deal with capacity constraints – short term cost impact



TRADING UPDATE

- Results per management accounts (unaudited) to 31 October 2009 are presented below. These include corporate (public company) costs
- Comparison to Pro Forma 2009 forecast in May 2009 Prospectus shows net profit after four months is already at 57% of comparative

	4 months to 31 Oct 2009 (i) (000's)	Pro Forma FY09 (ii) (000's)
Sales Revenue	9,482	22,592
EBIT	2,888	5,338
Net Profit Before Tax	2,641	4,638
Net Profit After Tax	2,641	4,638

(i) assumes \$28m tax losses continue to be available for carry forward

(ii) Assumes RER was acquired and debt collection business was disposed of on 1/7/08 and that tax losses continue to be available for carry forward

BALANCE SHEET TRANSFORMATION

	30 June 2009 Audited (000's)	31 October 2009 Unaudited (000's)
ASSETS		
Cash and cash equivalents	6,665	3,255
Trade and other receivables	1,145	5,288
Property plant & equipment	781	29,981
Intangible assets	1	6,643
Other assets	524	897
TOTAL ASSETS	9,116	46,064
LIABILITIES		
Trade & other payable	678	2,491
Hire purchase liabilities	-	9,779
Provisions	-	1,173
Other Liabilities	68	1,421
TOTAL LIABILITIES	746	14,864
NET ASSETS	\$8,370	\$31,200

NOTES AND OBSERVATIONS

- PP&E re-valued to market upon acquisition
- No bank debt (HP only)
- Net assets per share 22 cents
- Gearing 21%
- Excludes tax loss asset
- Dividends not likely in FY10 and FY11 due to
 - capex requirements
 - no franking credits

RECENT PROJECT EXAMPLES



- Client: QNI
- Location: Townsville, Queensland
- Scope: Supply of fully automated evaporation system,
powered by RER “super silent” generators
Controlled by RER designed and built weather stations
Evaporation rate to 210 litres per second

RECENT PROJECT EXAMPLES



Client: Consolidated Minerals

Location: North West Australia

Scope: System design and installation of dewatering system with telemetry control for pit dewatering at the rate of 1,500 litres per second

RECENT PROJECT EXAMPLES



- Client: BHP Mitsubishi Alliance
- Location: Moranbah, Queensland
- Scope: System design and installation of fully automatic pumping system on purpose built pontoons

STRATEGY AND OUTLOOK

Mine Water Management / Dewatering

Australia – West Coast

- Increasing and ongoing mining activity will lead to deeper mines and continuing water management issues
- Whilst RER has a solid foundation in WA, significant potential remains in demonstrating RER capabilities to mine owners currently managing water issues in-house
- Have recently increased marketing/business development activity to promote awareness, capabilities and track record
- Considerable number of new opportunities presenting
- Overall outlook in WA is particularly strong with excellent growth prospects

STRATEGY AND OUTLOOK

Mine Water Management / Dewatering

Australia – East Coast

- Major water issues exist in coal sector
- Most mines currently managing water issues in-house
- RER is new to the market – brand and capabilities not well known yet
- Opportunity exists to demonstrate RER's unique capabilities and solutions based approach
- May take time, but potential to significantly expand business
- Several two and three year contracts already been secured; others being priced/negotiated

STRATEGY AND OUTLOOK

Mine Water Management / Dewatering

International

- Opportunities in South East and Central Asia
- Not pursuing in short term (next 12 months) – priority is to allocate resources to building and consolidating the expanding Australian business
- However, if international projects are introduced/referred to RER they will be considered



STRATEGY AND OUTLOOK

Oil & Gas

- With limited marketing, RER has previously supplied equipment (pumps, compressors, driers) for pipeline testing projects in Western Australia and to a limited extent in the East Coast and international markets
- Pipeline testing projects are typically shorter term and easier to mobilise than dewatering projects, therefore greater ability to provide services on a national and international basis
- Recent senior appointments will see dedicated division kick off in January 2010, pursuing projects in Australia, Far East and Middle East markets



STRATEGY AND OUTLOOK

Acquisitions

- Due to high activity levels and organic growth opportunities within RER, currently not seeking out acquisitions
- However, remain alert to opportunities and receptive to proposals



SUMMARY

- 2009 was a landmark year which saw the transformation from Repcol Ltd into RER Group Ltd – very pleased with the investment decision
- RER acquisition bedded down quickly and off to a solid start to FY10 - business running well ahead of last year
- Numerous opportunities for organic growth
- Several key appointments and business development initiatives implemented
- Proactive investment in business systems, processes and infrastructure being developed to accommodate future anticipated growth
- Solid balance sheet supporting the business in growth environment
- Board confident of building a strong earnings profile and rewards to shareholders

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FINANCIAL STATEMENTS

To receive and consider the Financial Statements, Directors' Report and Auditor's Report for the year ended 30 June 2009

RESOLUTION 1

To adopt the Remuneration Report

“That the Remuneration Report contained in the Directors’ Report for 2009 be adopted.”

RESOLUTION 1 – PROXY VOTING SUMMARY

To adopt the Remuneration Report

The total of valid proxies received for resolution 1 is 76,648,608 being:

For the resolution	76,170,826
Against the resolution	45,229
To be voted at the proxy's discretion	247,084
Abstaining	185,469

RESOLUTION 2

Re-election of Mr Bill Ryan as a Director

“That Mr Bill Ryan who retires as a Director in accordance with the Company’s constitution and being eligible, offers himself for re-election, be re-elected as a Director of the Company with immediate effect.”

RESOLUTION 2 – PROXY VOTING SUMMARY

Re-election of Mr Bill Ryan as a Director

The total of valid proxies received for resolution 2 is 76,648,608 being:

For the resolution	76,393,449
Against the resolution	8,075
To be voted at the proxy's discretion	247,084
Abstaining	0

RESOLUTION 3

Re-election of Mr Keith Lucas as a Director

“That Mr Keith Lucas who retires as a Director in accordance with the Company’s constitution and being eligible, offers himself for re-election, be re-elected as a Director of the Company with immediate effect.”

RESOLUTION 3 – PROXY VOTING SUMMARY

Re-election of Mr Keith Lucas as a Director

The total of valid proxies received for resolution 3 is 76,648,608 being:

For the resolution	76,393,449
Against the resolution	8,075
To be voted at the proxy's discretion	247,084
Abstaining	0

RESOLUTION 4

Re-election of Mr Anthony Ryder as a Director

“That Mr Anthony Ryder who retires as a Director in accordance with the Company’s constitution and being eligible, offers himself for re-election, be re-elected as a Director of the Company with immediate effect.”

RESOLUTION 4 – PROXY VOTING SUMMARY

Re-election of Mr Anthony Ryder as a Director

The total of valid proxies received for resolution 4 is 76,648,608 being:

For the resolution	76,376,828
Against the resolution	24,696
To be voted at the proxy's discretion	247,084
Abstaining	0

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