



COMPANY ANNOUNCEMENT

GRD Announces Recommended Cash Offer from AMEC

19 July 2009

GRD Limited (ASX: GRD) has entered into a binding agreement with UK-based AMEC plc for the proposed acquisition by AMEC of all the shares in GRD.

Under the AMEC offer, GRD shareholders will receive \$0.55 cash per share. The total consideration offered by AMEC is \$106 million.

The proposed acquisition will be implemented via a Scheme of Arrangement and is subject to a number of conditions, including GRD shareholder approval. The attachment to this announcement sets out the key terms of the scheme implementation agreement, executed between GRD and AMEC on 18 July 2009.

Each GRD Director recommends that shareholders vote in favour of the scheme in the absence of a superior proposal and subject to the independent expert's report concluding the scheme is in the best interests of GRD shareholders. Subject to those same qualifications, each Director of GRD intends to vote in favour of the scheme with respect to their eligible individual shareholdings.

The cash consideration of \$0.55 per GRD share represents a substantial premium of:

- 34% to the closing price of \$0.41 per share on 10 June 2009, being the last trading day prior to GRD's announcement of AMEC's non-binding proposal;
- 35% to the one week volume weighted average price to 10 June 2009 of \$0.41 per share; and
- 75% to the three month volume weighted average price to 10 June 2009 of \$0.31 per share.

GRD Chairman Richard Court said: "The Board believes the cash offer from AMEC represents a good opportunity for GRD shareholders to realise value and secure an attractive premium in an uncertain market environment. As a Board we are unanimously of the view that AMEC's proposal is in shareholders' best interests."

GRD Chief Executive Cliff Lawrenson said: "AMEC is very well positioned to continue the development of GRD. We believe AMEC's strong financial position, global presence and quality business provides great benefits to GRD's clients, employees and partners."

AMEC is a focused supplier of high-value consultancy, engineering and project management services to the world's energy, power and process industries.

AMEC Chief Executive Samir Brikho said: "The acquisition of GRD, and the calibre of people within the company, allows AMEC to expand our Natural Resources business across Australasia and Africa whilst further enhancing our mining presence and capability in South America."

An explanatory statement in the form of a scheme booklet containing information relating to the proposed transaction and reasons for the Directors' recommendation will be sent to GRD shareholders with distribution expected in early September.

Grant Samuel & Associates Pty Limited has been engaged to prepare an independent expert's report and to provide an opinion as to whether the proposed transaction is in the best interests of GRD shareholders. This report will be included in the scheme booklet.



Details of the scheme meeting, including its timing and voting procedures, will be included in the scheme booklet.

Morgan Stanley is acting as financial adviser and Hardy Bowen is acting as legal adviser to GRD.

GRD shareholders will also be able to receive information and ask questions on the proposed transaction through a dedicated information line accessed by calling 1300 368 382 (toll free for shareholders calling from within Australia) and +61 3 9946 4424 (for shareholders calling from overseas).

This information line will commence from 8.00am AEST on Wednesday 22 July 2009, and will be updated as the transaction progresses.

ENDS

For further information contact:

Mr Cliff Lawrenson, Group Chief Executive, GRD, Tel +61 8 9278 1888

Mr Casey Cahill, Group Manager Corporate Communications and Marketing, GRD,
Tel +61 8 9278 1888

About GRD

GRD Limited is an Australian engineering and development company.
www.grd.com.au

GRD Minproc, a wholly owned subsidiary of GRD Limited, is a leading global engineering and project delivery business providing high value services and specialising in the design, procurement and construction of mineral resource and waste-to-resources projects.

The company's process engineering and project record are internationally recognised with extensive experience gained in copper, gold, uranium, nickel and iron ore.

Global Renewables is a UK based development company specialising in the recovery of resources from municipal solid waste. Global Renewables is currently undertaking the Lancashire Waste Partnership PFI Project, one of the largest waste contracts of its type in the United Kingdom.

About AMEC

AMEC is a focused supplier of high-value consultancy, engineering and project management services to the world's energy, power and process industries. With annual revenues of over £2.6 billion, AMEC designs, delivers and maintains strategic and complex assets for its customers. AMEC's Natural Resources, Power and Process and Earth and Environmental businesses employ over 22,000 people in more than 30 countries globally.

AMEC shares are traded on the London Stock Exchange where the company is listed in the Oil Equipment and Services sector (LSE: AMEC.L).

AMEC's Natural Resources business is a leading provider of total life-of-asset services to customers in the upstream and downstream oil and gas (including oil sands) and mining sectors, with a strong reputation for balancing global excellence with local delivery.

www.amec.com



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Summary of Scheme Implementation Agreement Terms

GRD Limited (**GRD**), AMEC Australia Pty Ltd (**AMEC**) and AMEC plc have entered into a Scheme Implementation Agreement dated 18 July 2009 (**SIA**) in relation to a proposed scheme of arrangement for AMEC to acquire all of the shares in GRD (**Scheme**).

AMEC is a wholly-owned subsidiary of AMEC plc and obligations of AMEC are guaranteed by AMEC plc under the SIA.

If the Scheme is approved by GRD's shareholders and the court, AMEC will pay \$0.55 for each share in GRD.

The SIA sets out the obligations of GRD and AMEC in relation to the Scheme. A copy of the SIA will be provided as part of the Scheme Booklet to be distributed to GRD shareholders prior to the Scheme meeting.

A summary of the key terms of the SIA is set out below.

Conditions Precedent to Scheme	<p>Implementation of the Scheme is subject to a number of conditions precedent which must be satisfied, including the following:</p> <ul style="list-style-type: none">(a) Regulatory Approvals – the Regulatory Approvals are obtained before the Second Court Date.(b) Shareholder Approval – Shareholders resolve at a general meeting to approve a resolution in favour of:<ul style="list-style-type: none">(i) the Scheme of Arrangement pursuant to Section 411(4)(a)(ii) of the Corporations Act; and(ii) all other matters that Shareholders need to approve to implement the Scheme and give effect to the SIA.(c) No GRD Prescribed Occurrences – no Prescribed Occurrence occurs before the Second Court Date.(d) No Material Adverse Change – no Material Adverse Change occurs before the Second Court Date.(e) Representations and Warranties – the representations and warranties of GRD and AMEC in the SIA being true and correct in all material respects on the Second Court Date.(f) Court approval – the Court orders the convening of the Scheme Meeting or Scheme Meetings under section 411(1); the Court makes orders pursuant to section 411(4)(b) of the Corporations Act approving the Scheme; an office copy of the Court order approving the Scheme is lodged with ASIC under section 411(4)(b).
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Board Recommendation	<p>GRD will procure that each member of the Board will recommend to the Shareholders to vote in favor of the Scheme (Board Recommendation). The Board Recommendation can only be withdrawn if:</p> <ul style="list-style-type: none"> (a) there is a Superior Proposal, which is a publicly announced proposal that the Board determines is both reasonably capable of being completed and more favourable to Shareholders than the Scheme; or (b) the Independent Expert's Report concludes that the Scheme is not in the best interests of Shareholders.
Non-Solicitation and Exception	<p>Until the earlier of the date the Scheme is approved by the Court or the date of termination, GRD must ensure that it:</p> <ul style="list-style-type: none"> (a) does not, except with the consent of AMEC, directly or indirectly solicit, encourage, initiate, invite or facilitate any negotiations or discussions or communicate any intention to do any of these things with any person other than AMEC with respect to a competing proposal; and (b) does not provide non-public information or permit any person to undertake due diligence investigations to facilitate consideration by any person, other than AMEC, to submit a competing proposal. <p>GRD's non-solicitation obligations will not apply to the extent that these obligations:</p> <ul style="list-style-type: none"> (a) restrict GRD or the Board from taking or refusing to take any action with respect to a competing proposal provided that the Board has determined, in good faith and based on the written opinion of senior counsel, that failing to respond to such a bona fide competing proposal would be reasonably likely to constitute a breach of the Board's fiduciary or statutory obligations; (b) would otherwise be unlawful or a breach of the Listing Rules; or (c) prevent GRD from continuing to make normal presentations to brokers, portfolio investors and analysts in the ordinary course of business. <p>GRD must notify AMEC promptly if it becomes aware of any negotiations or discussion or any approach in respect of any expression of interest, offer or proposal.</p>
Right to Match	<p>If at any time GRD receives a Superior Proposal, then AMEC will have the right to match the Superior Proposal.</p> <p>A "Superior Proposal" means a publicly announced competing proposal which the Board determines in good faith (based on the written opinion of its financial and legal advisors) is:</p> <ul style="list-style-type: none"> (a) reasonably capable of being completed taking into account all material aspects of the competing proposal; and (b) in the best interests of the Shareholders compared to the Scheme.



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Break Fee	<p>AMEC's Break Fee will be capped at \$1,000,000. This cap has been calculated in accordance with the current Takeovers Panel policy. AMEC will be entitled to this Break Fee if:</p> <ul style="list-style-type: none"> (a) the Board withdraws its recommendation to the Shareholders; or (b) a competing proposal is consummated that was facilitated by GRD.
Termination Rights	<p>The SIA may be terminated prior to the Second Court Date by either party in the following circumstances:</p> <ul style="list-style-type: none"> (a) Board withdraws the Board Recommendation; (b) Shareholder Approval is not obtained; (c) either party is in material breach of the SIA and such breach is not remedied; (d) the Court or other governmental agency has issued a final and non-appealable order, decree or ruling or taken other action which permanently restrains or prohibits the Scheme; (e) a condition precedent is not satisfied or waived by the condition date; or (f) the Scheme is not effective within six (6) months of the date of the SIA (unless extended by agreement of both parties).
Directors' Duties	<p>Nothing in the SIA imposes an obligation on the members of the Board to the extent that compliance with the SIA would involve a breach of fiduciary duties by the members of the Board or not be in the best interests of Shareholders or be otherwise unlawful.</p>
Defined Terms	<p>GRD Group means GRD and each of its subsidiaries.</p> <p>Material Adverse Change means:</p> <ul style="list-style-type: none"> (a) a diminution in the value of the net assets of the GRD Group (as stated in the consolidated GRD balance sheet reported on 31 December 2008), of at least \$5,000,000; or (b) one or more matters, events or occurrences individually or in aggregate that: <ul style="list-style-type: none"> (i) is, or is reasonably likely to be materially adverse to: <ul style="list-style-type: none"> (A) the business, operations or financial condition (including contingent liabilities) of the GRD Group taken as a whole; or (B) the status of any Regulatory Approvals which have been granted and affect the Scheme; or (C) the business, operations or financial condition (including contingent liabilities) of GRD's interest in its Lancashire subsidiaries or the Lancashire Waste Partnership PFI Project; or (ii) prevents GRD from performing a material obligation pursuant to the SIA,

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	<p>provided it will not include:</p> <ul style="list-style-type: none"> (c) those matters, events or occurrences (including the risk of a matter, event or occurrence happening except for a material adverse change to the risk profile and/or the likelihood of a matter, event or occurrence which falls under paragraph (b)(i)(C) of the definition) fairly disclosed to AMEC; (d) movements in GRD's foreign currency translation reserve or hedge reserve; (e) those matters, events or occurrences relating to the bonus payments or accounts receivable for GRD's Tenke Fungurume project; (f) any change in taxation, governmental or central bank determined interest rates, exchange rates or commodity prices which impact on GRD; (g) any change in accounting policy required by law or regulation; (h) acts of terrorism, war (whether or not declared) or the like; (i) any change to the business, operations or financial condition of the GRD Group arising out of a loss of personnel or customers where AMEC materially breaches its obligations with respect to the integration strategy; (j) those matters, events or occurrences which were in the public domain prior to the execution of the SIA; (k) those matters, events or occurrences required to be done or procured by GRD pursuant to the SIA; or (l) those matters, events or occurrences relating to changes in business conditions generally, except to the extent that those matters affect GRD disproportionately compared to other Australian companies in the engineering industry. <p>Prescribed Occurrence examples include:</p> <ul style="list-style-type: none"> (a) GRD converting or reducing its share capital; (b) GRD making an unauthorised distribution or dividend payment; (c) GRD disposing or acquiring material securities, business, assets or interests in excess of \$5,000,000; or (d) an insolvency event in relation to a member of the GRD Group. <p>Regulatory Approvals means:</p> <ul style="list-style-type: none"> (a) AMEC obtaining Foreign Investment Review Board approval; (b) ASIC and ASX issuing or providing such consents or approvals or doing other acts which GRD and AMEC agree are necessary or desirable to implement the Scheme; and (c) all other approvals of a governmental agency which GRD and AMEC agree are necessary to implement the Scheme are obtained. <p>Second Court Date means the first day on which an application made to the Court (after shareholders have approved the Scheme) for an order pursuant to Section 411(4)(b) of the Corporations Act approving the Scheme is heard.</p>
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