



23 February 2009

Ms Elizabeth Harris  
Senior Adviser, Issuers  
ASX Markets Supervision Pty Ltd  
Level 8, Exchange Plaza  
2 The Esplanade  
Perth, Western Australia

By email: Elizabeth.Harris@ASX.com.au

#### RESPONSE TO PRICE QUERY

I refer to the letter received by GRD Limited (the "Company") on 23 February 2009, entitled Price Query, regarding the change in price of the Company's securities from 38 cents on 23 January 2009 to an intra-day low today of 21 cents.

In reference to the numbering of the specific questions raised in that letter, the Company responds as follows:

1. The Company is not aware of any such information that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company.

Specifically, GRD Limited advises that it has not "opened its books to potential buyers", as speculated in today's AFR.

However, as previously advised publicly, data rooms were established in 2008 relating to the Global Renewables business. To date this has resulted in the successful sale of the Eastern Creek Facility effective from 31 December 2008. The Global Renewables data room remains open and has continued to attract interest.

GRD does receive corporate approaches from time to time and these are dealt with on their merits and within the ASX Listing Rules.

2. Not applicable.
3. The Company is not aware of any other explanation for the decrease in price experienced in the trading of its securities recently, however it is noted that there has been a great deal of volatility in the price of the Company's securities in recent months.
4. The Company confirms that, having made reasonable enquiries, it remains in compliance with the ASX Listing Rules, including rule 3.1.

Yours sincerely  
GRD Limited

**SIMON CATER**  
Company Secretary



**ASX**  
AUSTRALIAN SECURITIES EXCHANGE

ASX Market Supervision Limited  
ABN 98 008 624 691  
Level 8  
Exchange Plaza  
2 The Esplanade  
Perth WA 6000

GPO Box D187  
Perth WA 6840

Telephone 61 08 9224 0000  
Facsimile 61 08 9221 2020  
Internet <http://www.asx.com.au>

23 February 2009

Mr Simon Cater  
Company Secretary  
GRD Limited  
Level 14 140 St Georges Terrace  
Perth WA 6000

By facsimile: 9347 4747

Dear Simon,

**GRD Limited (the "Company")**

**RE: PRICE QUERY**

We have noted a change in the price of the Company's securities from a closing price of \$0.38 on 23 January 2009 to an intra-day low today of \$0.21.

In light of the price change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company? The Company is requested to specifically address the speculation on page 18 of today's Australian Financial Review that the Company "may have opened its doors to potential buyers".

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price change in the securities of the Company?

4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me on facsimile number 9221 2020 or by email on [Elizabeth.Harris@ASX.com.au](mailto:Elizabeth.Harris@ASX.com.au). It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, no later than 4:00pm today, Monday 23 February 2009.

For personal use only

The response must be in a form suitable for release to the market. If you have any concern about release of a response, please contact me immediately.

### Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

### Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and the guidance note titled "Trading halts" we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please contact me on 9224 0017.

Yours sincerely,



Elizabeth Harris  
**Senior Adviser, Issuers (Perth)**

For personal use only

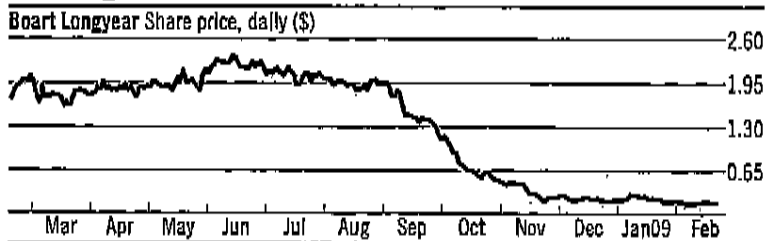
## Boart Longyear aims to cut debt and looks for way ahead

Things haven't exactly gone to plan for drilling products and services group Boart Longyear since its \$2.7 billion float in 2007, and some are starting to smell blood in the water.

The \$585 million debt facility it has maturing in the June quarter of 2010 is more than twice its market capitalisation of \$233 million and, with its shares at 15.5¢, raising any meaningful equity would be hugely dilutionary for investors stung by the initial public offering Macquarie Group brought to market.

Remember the float got away at \$1.85 a share, so any shareholders that have held on since the start are

### Drilling down



SOURCE: BLOOMBERG

down more than 90 per cent on their investment. Many are also unhappy about the level of engagement from Boart management based in Salt Lake City.

At a macro level the outlook for the resources sector looks fairly dire for at least the next 12 months, so it's hard to see a near-term pick-up in business for Boart. It has cut more than 500 jobs as a result.

At the end of December the company advised that 15 per cent of its drill rigs were idle, resulting in its 2008 revenue to be 18 per cent above the previous year, down from earlier guidance of 22 per cent growth. Some already see a Transpacific-like scenario - inviting everyone from trade

buyers to private equity to look at the business. The idea is unfolding of introducing a cornerstone investor or even an outright sale, but that may be overstating things somewhat. By reducing its capital expenditure, working capital needs and shying away from acquisitions, Boart expects to cut net debt by \$150 million in 2009. Further guidance should be delivered on Thursday, when Boart reports its 2008 results.

Mining services firms have been a favourite target of private equity recently so it wouldn't be unrealistic to think Boart is probably on their radar. Whether things are quite that bad inside the company is another matter.

Elsewhere, but in a similar vein, there's talk that mining services group GRD may have opened its doors to potential buyers, with a couple of groups from offshore completing due diligence right now.

Given the stock's at a record low of 26¢, it's hard to imagine the board entertaining (let alone recommending shareholders accept) a takeover bid, particularly given it knocked back a \$2.75-a-share proposal from Transfield Services in August 2007.

Still, rumours float, and some are adamant that something is going on.



Private equity might be interested.

AUSTRALIAN FINANCIAL REVIEW page 18  
 Monday 23 February 2009