



Tuesday, 19 February 2008

Mount Gibson Iron Limited - Panel Receives Application

The Takeovers Panel has received an application from Mount Gibson Iron Limited (Mount Gibson) in relation to its affairs.

The application refers to a proposed transaction involving approximately 156.8 million shares (constituting 19.73% of Mount Gibson's share capital). The proposed transaction is in two parts - the conditional sale of 77,436,215 shares in Mount Gibson by Gazmetall Holding (Cyprus) Ltd (**Gazmetall**) to Shougang Concord International Enterprises Company Limited (**Shougang**); and the granting of an option by Gazmetall to Shougang to acquire a further 79,333,682 shares in Mount Gibson.

Mt Gibson submits that there is an association between Shougang and APAC Resources Limited (**APAC**), the owner of 160.8 million shares in Mount Gibson (constituting approximately 20.19% of Mount Gibson's share capital). Mount Gibson submits that there are unacceptable circumstances because of:

- (a) a contravention of s606 of the Corporations Act;
- (b) the effect of the proposed transaction on the efficient, competitive and informed market for voting shares in Mount Gibson;
- (c) holders of Mount Gibson shares not knowing the identity of the person proposing to acquire a substantial interest in Mount Gibson; and
- (d) holders of Mount Gibson shares not having an equal opportunity to participate in any benefits.

Mt Gibson seeks interim orders including an order prohibiting completion of the proposed transaction and the exercise of rights in the respective holdings of Gazmetall and APAC in the meantime. It also seeks final orders including the vesting of Gazmetall's and APAC's shareholdings in Mt Gibson with ASIC for disposal via a book-build to institutions.

A sitting Panel has not been appointed at this stage and no decision has been made whether to conduct proceedings in relation to the application. The Panel makes no comment on the merits of the application.

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