



Australian Government

Takeovers Panel

MEDIA RELEASE

No: 68/2009

Friday, 18 September 2009

NewSat Ltd - Panel Receives Application

The Panel has received an application from NewSat Ltd in relation to its affairs. On 3 September 2009, EWC Payments Pty Ltd announced that it had decided to make an off market takeover offer for 100% of the shares of NewSat.

NewSat submits (among other things) that EWC has little financial substance. According to the application:

- (a) "the market for [NewSat] securities has, since 3 September 2009, been conducted on the basis of an entirely false premise, being that a takeover offer will be made for 100% of [NewSat's] shares on terms that will provide [NewSat] shareholders as a whole with an actual consideration equivalent to \$50 million in value" and
- (b) "EWC has acted recklessly either as to whether it will proceed with its announced bid, or as to whether it will be able to perform its obligations relating to the bid if a substantial proportion of offers are accepted" (see section 631(2)). Alternatively the "purported performance by EWC of its obligations relating to the proposed bid would be illusory and contrary to the policy that underlies section 631".

NewSat seeks interim orders, including orders requiring EWC to produce financial information to the Panel. NewSat seeks final orders including an order cancelling EWC's takeover offer.

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

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