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ASX ANNOUNCEMENTS PLATFORM

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SHARE OPTIONS INCENTIVE PLANS

The Board of Midwest Corporation Limited ("Midwest" - ASX: MIS) will not progress at this time a proposal for a share option plan for Non-Executive Directors.

Under the proposal announced on 27 February 2008, Non-Executive Directors would have been granted options that would have vested when Midwest's shares traded at a price above \$7.00 per share and with an exercise price of \$5.60 per share.

Midwest Chairman Jesse Taylor said the original intention was to incentivise Non-Executive Directors to enhance the share price above the indicative offer from Sinosteel.

"As Sinosteel has now launched an unsolicited Offer for Midwest, the Board's view is that the share option plan for Non-Executive Directors should not be seen or used to distract share holders from the core issue of the Offer which is the value of the future potential of Midwest's five major iron ore projects.

"The Board also wishes to ensure complete alignment between the interests of Directors and shareholders when considering the merits of the Sinosteel Offer. On the Sinosteel Offer, the Board of Midwest continues to advise shareholders to **TAKE NO ACTION** and will provide further advice in the Target's Statement next week.

"In originally proposing the structure of the share option plan for Non-Executive Directors, the Board was indicating it believed a Midwest share price of \$7.00 was achievable in the foreseeable future based on expectations of the current exploration program and the outlook for price and demand for iron ore.

"The Non-Executive Directors would not have received any benefit from the options proposal below the value of \$5.60, which had already been indicated by Sinosteel.

Executive Directors and Senior Management

Midwest announced on 25 June 2007 its intention to implement a share option plan for Executive Directors and Senior Management. The Company has been operating since that date on the basis that these share options would be approved by Midwest shareholders but deferred progressing a shareholder approval vote because of the Murchison Metals Limited takeover proposal.

The Board believes the Executive Directors and Senior Management share options plan has been vital to retaining and incentivising senior executives in the face of onerous demands from rapid exploration and project development, and alternative offers from competitors in a booming sector.

The Murchison Metals Limited bid has now lapsed. The Midwest Board still intends to submit the share option plan for Executive Directors and Senior Management for shareholder approval.

Employee Option Scheme

Retention of employees is critical to the delivery of shareholder value through the successful development of Midwest's five projects. Therefore the Board of Midwest has determined to progress the establishment of a new Employee Option Scheme, which the Midwest Board intends to submit for shareholder approval.

If approved by Midwest shareholders, the Board will be authorised to establish the Employee Option Scheme and issue up to 1,500,000 Employee Options to eligible employees, including during the current Sinosteel bid Offer Period, if the bid Offer Period is extended.

The purpose of the Employee Option Scheme is to incentivise eligible employees to provide dedicated and ongoing commitment to the Company, align the interests of employees and Shareholders, and reward eligible employees for their efforts.

The Directors of the Company will not be eligible to participate in the Employee Option Scheme.

It is proposed that a total of 1,000,000 Employee Options be issued to employees already identified, with an exercise price of \$5.16 calculated using an 8 week VWAP. The issue price of each Employee Option is nil.

The Employee Options proposed to be issued to eligible employees under the Employee Option Scheme will vest over a period of 4 years.

The remaining 500,000 Employee Options may be issued to eligible employees at an exercise price equal to the 8 week VWAP prior to the date of issue of those Employee Options.

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