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Midwest Corporation Limited

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30 April 2008

Attention Hendrike Koehler

Adviser, Issuers (Perth)
ASX Limited
Level 8, Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Madam

I refer to your letter dated 29 April 2008. I respond to the questions raised in that letter as follows.

1. *Does the Company believe that the information contained in the Directors' Recommendation Announcement was material to the Company?*

   Yes.

2. *If the answer to question 1 is 'no', please advise the basis on which the Company does not consider the Announcement to be material.*

   Not applicable.

3. *If the answer to question 1 is 'yes', when did the Company first become aware of the information contained in the Directors' Recommendation Announcement? In particular, when was the Company made aware of:*

   (a) *Sinosteel Corporation's intention to increase the offer for the Company to $6.38 cash per Share; and*

   A meeting was held in Kuala Lumpur, Malaysia between Steven Lee Chang Chong and David Law Tien Seng of Midwest Corporation Limited and Tony Cheng and Michael Wu, as representatives of Sinosteel Corporation, from 10am on Sunday, 27 April 2008 and ran all day.

The meeting was held on the express condition and agreement between the parties that all discussions were to be kept strictly confidential. At this meeting, many issues were discussed including the possibility of Sinosteel Corporation increasing its offer for the Company. No agreement was reached between the parties when the meeting broke up on Sunday evening.

Mr Chong, Mr Cheng and Mr Wu continued discussions on a plane trip from Kuala Lumpur to Perth on Monday, 28 April 2008. During the course of that plane trip, the parties agreed in principle for Sinosteel Corporation to increase its offer for the Company to $6.38 per Share. The plane landed in Perth at approximately 3.30pm after the market had closed.

A meeting was held between Mr Chong and Midwest's advisers commencing at 5.00pm WST on 28 April 2008, well after the market had closed. Up until that time, the only Midwest persons who were involved in discussions with Sinosteel Corporation with a view to Sinosteel Corporation increasing its offer for the Company were Mr Chong and Mr Law. The Company is unable to speculate as to who, if anyone, the Sinosteel representatives Mr Cheng and Mr Wu spoke to and what they were told in relation to the meeting with Mr Chong and Mr Law on 27 April 2008.

(b) Sinosteel Corporation's intention to vote in favour of the issue of up to 15 million options with an exercise price of $1.46 to executive directors and senior managers and 1 million options with an exercise price of $5.16 to employees?

This was discussed, among a number of other issues, at the meeting held in Kuala Lumpur on Sunday, 27 April 2008 referred to in response to paragraph (a) above. During that meeting Sinosteel Corporation indicated that it would be prepared to vote in favour of the options upon agreement of the other areas of the increased offer being reached, particularly price. As referred to in response to paragraph (a) above, such in principle agreement was not reached between the parties until during the plane trip from Kuala Lumpur to Perth. However until the meeting commencing at 5.00pm WST on Monday, 28 April 2008 referred to in response to paragraph (a) above, the only persons involved with Midwest who were involved in discussions with Sinosteel Corporation with a view to Sinosteel Corporation increasing its offer for the Company were Mr Chong and Mr Law.

4. If there was no earlier announcement, and the Company became aware of Sinosteel Corporation's intention to make an increased offer for the Company and vote in favour of the issue of up to 15 million options with an exercise price of $1.46 to executive directors and senior managers and 1 million options with an exercise price of $5.16 to employees prior to the Announcement, why was the information not released to the market at an earlier time. Please comment specifically on the application of listing rule 3.1 and the exceptions to the rule in listing rule 3.1A.

Up until close of the market on Monday, 28 April 2008, the Company was relying upon listing rule 3.1A in not making an announcement pursuant to listing rule 3.1 in relation to this issue. In particular, the Company considered that:

(a) a reasonable person would not expect the information to be disclosed;

(b) the information was confidential; and

(c) the information concerned an incomplete proposal.

5. *Please confirm that the Company is in compliance with listing rule 3.1.*

The Company confirms that it is in compliance with listing rule 3.1.

Yours sincerely

Michael Silbert
Company Secretary

ASX
AUSTRALIAN SECURITIES EXCHANGE

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29 April 2008

Mr Michael Silbert
Company Secretary
Midwest Corporation Limited
1st Floor
Suite 2
32 Kings Park Road
WEST PERTH WA 6005

By Facsimile: (08) 9226 3388

Dear Michael

Midwest Corporation Limited (the "Company")

ASX Limited ("ASX") refers to the following:-

1. The announcement made by the Company on 29 April 2008 at 17:47 (EST) titled "**MIS Directors' Recommendation and Target's Statement**" ("Directors' Recommendation Announcement").

2. The Trading Halt called by the Company in dealing in its securities on 29 April 2008 at 9:30 (EST).

3. An increase in the price of the Company's securities from a close of $5.82 on 24 April 2008 to a high of $6.15 on 28 April 2008. There was also a significant increase in the volume of trading over this period.

We wish to draw your attention to the definition of "aware" in Chapter 19 of the listing rules which states that:

> *"an entity becomes aware of information if a director or executive director (in the case of a trust, director or executive officer of the responsible entity or management company) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a director or executive officer of that entity."*

Further we wish to draw your attention to listing rule 3.1 which 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 listing rule 3.1A.

Furthermore, paragraph 17 of Guidance Note 8 states:

> *"Once a director or executive officer becomes aware of information, he or she must immediately consider whether that information should be given to ASX. An entity cannot delay giving information to ASX pending formal sign-off or adoption by the board, for example."*

Please note that for disclosure not to be required under listing rule 3.1, all of the exceptions under listing rule 3.1A must apply:

> *"3.1A.1 A reasonable person would not expect the information to be disclosed.*
>
> *3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential.*
>
> *3.1A.3 One or more of the following applies.*
>
> - *It would be a breach of a law to disclose the information.*
> - *The information concerns an incomplete proposal or negotiation.*
> - *The information comprises matters of supposition or is insufficiently definite to warrant disclosure.*
> - *The information is generated for the internal management purposes of the entity.*
> - *The information is a trade secret."*

Finally, I would like to draw your attention to ASX's policy position on the concept of *"confidentiality"* which is detailed in paragraphs 33 to 39 of Guidance Note 8. In particular, paragraphs 34 and 35 of the Guidance Note state that:

> *"'Confidential' in this context has the sense of 'secret'..." and "Loss of confidentiality may be indicated by otherwise unexplained changes to the price of the entity's securities, or by reference to the information in the media or analysts reports".*

Having regard to the above definition, listing rule 3.1 and Guidance Note 8 - Continuous Disclosure, we ask that you answer the following questions in relation to the Announcement in a format suitable for release to the market in accordance with listing rule 18.7A.

1. Does the Company believe that the information contained in the Directors' Recommendation Announcement was material to the Company?

2. If the answer to question 1 is "no", please advise the basis on which the Company does not consider the Announcement to be material.

3. If the answer to question 1 is "yes", when did the Company first become aware of the information contained in the Directors' Recommendation Announcement? In particular, when was the Company made aware of

   a. Sinosteel Corporation's intention to increase the offer for the Company to $6.38 cash per Share; and
   b. Sinosteel Corporation's intention to vote in favour of the issue of up to 15 million options with an exercise price of $1.46 to executive directors and senior managers and 1 million options with an exercise price of $5.16 to employees?

4. If there was no earlier announcement, and the Company became aware of Sinosteel Corporation's intention to make an increased offer for the Company and vote in favour of the issue of up to 15 million options with an exercise price of $1.46 to executive directors and senior managers and 1 million options with an exercise price of $5.16 to employees prior to the Announcement, why was the information not released to the market at an earlier time? Please comment specifically on the application of listing rule 3.1 and the exceptions to the rule in listing rule 3.1A

5. Please confirm that the Company is in compliance with listing rule 3.1

Your response should be sent to me by email on hendrike.koehler@asx.com.au or by facsimile on **facsimile number (08) 9221 2020.** It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, **not later than 12.00 noon WST on Wednesday 30 April 2008.**

If you have any queries regarding any of the above, please let me know.

Yours sincerely

H. Koehler

Hendrike Koehler
Adviser, Issuers (Perth)

(08) 9224 0015