



Wednesday, 4 June 2008

**Midwest Corporation Limited 02 - Panel Receives Application**

The Takeovers Panel today received an application from Sinosteel Ocean Capital Pty Limited in relation to the affairs of Midwest Corporation Limited. Midwest is the subject of an off-market takeover bid by Sinosteel. It is also the subject of a proposed merger with Murchison Metals Limited by way of scheme of arrangement.

Among other claims, according to the application:

***“Sinosteel seeks declarations under sections 657A of the Corporations Act that the:***

***(1) acquisition of Midwest shares by the Harbinger Entities [Harbinger Capital Partners Master Fund I, Limited and other Harbinger entities] in breach of the FATA [Foreign Acquisitions and Takeovers Act] as identified and described in this Application is inconsistent with the principle that the acquisition of control of Midwest shares take place in an efficient, competitive and informed market and constitutes unacceptable circumstances in relation to the affairs of Midwest; and***

***(2) Harbinger Entities and Murchison are associates for the purposes of Chapter 6 of the Corporations Act and that inadequate substantial shareholding notices have been provided to Midwest and the Australian Securities Exchange Limited (ASX) in relation to their shareholdings in Midwest and that such conduct constitute unacceptable circumstances in relation to the affairs of Midwest.”***

Sinosteel seeks interim orders that the Harbinger entities and Murchison not be permitted to acquire any further Midwest shares until permitted to do so in compliance with the Foreign Acquisitions and Takeovers Act (“FATA”). Sinosteel seeks final orders including that:

1. the Harbinger entities and Murchison not acquire any further Midwest shares in breach of FATA
2. the Midwest shares acquired in breach of FATA be vested in ASIC for sale and
3. substantial holding disclosure is made on the basis of the association between the Harbinger entities and Murchison.

Sinosteel also raised issues in relation to the Harbinger entities’ interest in Murchison and seeks orders vesting Murchison shares acquired in breach of FATA in ASIC.

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

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