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ASX ANNOUNCEMENTS PLATFORM

6 June 2008

UPDATE REGARDING THE MURCHISON METALS MERGER PROPOSAL AND THE SINOSTEEL OFFER

Since receipt of the Merger Proposal from Murchison Metals Limited ("Murchison") on 26 May 2008, Midwest Corporation Limited ("Midwest") has been actively pursuing negotiations with Murchison to finalise the terms and assessing market feedback on the proposal.

Midwest's Board wishes to reaffirm that it sees great strategic benefit in a merger with Murchison. Discussions have progressed and the parties have now substantially agreed the material terms of a Merger Implementation Agreement ("MIA"). Full details of the Merger Proposal will be released as soon as finalised.

The Midwest Board continues to believe the Merger, which would create a new major independent iron ore company with significant synergy potential, provides Midwest Shareholders with potential value above \$6.38 per share. Based on Murchison's closing price of \$3.80 on 5 June 2008, the Merger terms imply a value of \$6.61 per Midwest share prior to any potential re-rating.

Midwest's Board believes given the existence of the Sinosteel takeover offer and with Sinosteel now holding in excess of 40% of Midwest's issued share capital, it is appropriate that the Merger Proposal should be approved by Midwest's shareholders.

Midwest proposes to determine Sinosteel's willingness to support the Merger and is hopeful of gaining this support given the significant value creation opportunities. Murchison would also need to re-confirm its commitment to the Merger, with Sinosteel potentially being in a position of significant influence in the merged entity. Given the importance of Sinosteel's vote, Midwest will not enter into the MIA without first discussing this matter with Sinosteel, nor commit Midwest to the Merger without shareholder approval.

Midwest confirms that Murchison has not proposed any break fee arrangements under the proposed MIA.

The Midwest Board advises shareholders to take no action in relation to Sinosteel's \$6.38 Offer whilst discussions with Sinosteel and Murchison are continuing. The Midwest Board will keep shareholders informed about the status of these discussions and any material developments.

Midwest notes that Sinosteel has extended its offer until 5pm WST on Friday, 18 July 2008. The Midwest Board will provide shareholders with an update on what action they should take in relation to Sinosteel's \$6.38 Offer well before this date.

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