



---

Tuesday, 11 July 2006

**GasNet Australia Investments Limited – Panel Receives Application**

The Takeovers Panel (**Panel**) advises that it has received an application (**Application**) for a declaration of unacceptable circumstances and orders, dated 11 July 2006 from GasNet Australia Investments Limited, GasNet Australia Limited (in its capacity as responsible entity of GasNet Australia Trust) and GasNet Australia Investments Trust (together **GasNet**). The Application is in relation to an off-market scrip takeover offer (**Offer**) by BBI GP (Aust) Pty Limited (**Bidder**), a wholly owned subsidiary of Babcock & Brown Infrastructure Limited (**BBI**), in association with Australian Pipeline Trust (**APT**), for 100% of the securities in GasNet<sup>1</sup>.

GasNet submits that each of the following constitutes unacceptable circumstances:

- The Bidder offering GasNet securityholders BBI scrip of a value which is less than \$2.55 per GasNet security (being the amount that GasNet submits APT has agreed to pay to acquire, through a series of put and call options, GasNet securities from the Bidder immediately after the Offer). Accordingly, GasNet submits that the Offer does not comply with the minimum bid price rule in section 621(3) of the Corporations Act.
- The failure of the Bidder to offer a \$2.55 cash alternative to GasNet securityholders (given, GasNet submits, that APT has agreed to acquire GasNet securities from the bidder for cash under the put and call options).
- The use of a 'headline' valuation figure of the Offer in the Bidder's Statement that GasNet submits is based on a cum-distribution price of the BBI securities offered under the Offer, where GasNet securityholders are not entitled to the relevant BBI distribution in relation to any BBI securities they would receive under the Offer.

GasNet seeks final orders:

- that the Bidder amend the Bidder's Statement to ensure that the consideration offered is at least equal to \$2.55 per GasNet security, based on a two day volume weighted average price of BBI securities in the period up to 5 business days prior to the date of the Offer;

---

<sup>1</sup> The GasNet securities on issue are triple stapled securities

- that the Bidder amend the Bidder's Statement to offer a cash alternative to GasNet securityholders of at least \$2.55 per GasNet security; and
- that the Bidder amend the Bidder's Statement and corrects any other announcements or communications in relation to references to a \$2.55 valuation based on a BBI security price of \$1.65 (i.e. a cum-distribution price) and undertake not to continue to make such references.

GasNet has sought an interim order that the Bidder be restrained from dispatching its Bidder's Statement to GasNet securityholders and from corresponding with GasNet securityholders in respect of the Offer pending determination of the Application by the Panel.

The Panel has not decided whether to conduct proceedings in relation to the Application and makes no comment on the merits of the Application.

The President of the Panel is appointing a sitting Panel to consider the Application.

Nigel Morris  
Director, Takeovers Panel  
Level 47, 80 Collins Street  
Melbourne, VIC 3000  
Ph: +61 3 9655 3501  
[nigel.morris@takeovers.gov.au](mailto:nigel.morris@takeovers.gov.au)