



Wednesday, 2 August 2006

**Tower Software Engineering Pty Ltd 02 – Panel Receives Further Application**

The Panel advises that yesterday it received an application from Tower Software Engineering Pty Ltd (**Tower**) in relation to an off-market takeover offer for Tower by Pendant Software Pty Ltd (**Pendant Software**). Tower seeks a declaration of unacceptable circumstances and interim and final orders.

The application submits that Pendant Software acquired a parcel of shares in Tower, by way of an acceptance under its takeover offer, at a time when one of its directors (who was also a director of Tower) knew, in his capacity as a Tower director, additional, non-public information that was material to Tower shareholders which Pendant Software had not disclosed to Tower shareholders or the market. Alternatively, Tower submits that Pendant Software did not advise Tower shareholders not to accept its offer until the additional, non-public information was released by Tower.

Tower has submitted to the Panel that the acquisition by Pendant Software of the parcel resulted in it increasing its control of Tower and acquiring more than 50% of the voting power in Tower.

Tower has sought orders, including withdrawal rights for Tower shareholders who accepted the Pendant Software offer during the period when Tower submits the market for Tower shares was uninformed.

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 assembling a sitting Panel to consider the application

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