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28 May 2007

**Arrow Taxi Services Limited 02 – Panel Decision**

The Takeovers Panel has considered the application from Arrow Taxi Services Limited (**Arrow Taxi**) dated 1 May 2007 (**Arrow Taxi 02 Application**) in relation to a proposed takeover bid by Kangaroo Petroleum Co. Pty Limited (**KPC and Bid**). The background facts leading to the Arrow Taxi 02 Application are set out in the Panel's Media Releases [TP07/13](#) and [TP07/20](#).

On 11 May 2007 the Supreme Court of Victoria, in the matter of *El-Fahkri v Arrow Taxi Services Limited* (no. 67 of 2007), determined that all of the shares in Arrow Taxi were voting shares and of the same class. This issue related to one of the circumstances in the Arrow Taxi 02 Application as KPC proposed to make offers for only some of the shares in Arrow Taxi under the Bid.

The Panel was advised by KPC on 14 May 2007 that in light of the decision of the Supreme Court of Victoria, and in reliance on section 670F(b) of the *Corporations Act* 2001, it did not intend to proceed with the Bid and would not be dispatching its bidder's statement to Arrow Taxi shareholders.

Arrow Taxi subsequently advised that in view of KPC's decision not to proceed with its Bid, there was no "need" for the Panel to deal with the substantive issues raised in the Application. However, Arrow Taxi nevertheless sought a declaration, if the Panel determined that it was appropriate, as a "gateway" to an order for costs against KPC. Arrow submitted that the issues before the Panel had been fully argued in submissions prior to KPC's withdrawal of its bid, and that its principal objection to the Bid, that it was an offer for only some of the shares in the Arrow Taxi bid class, had been upheld by the Supreme Court decision.

The Panel considered that there were issues in relation to the structure of, and disclosure in, the Bid that would have needed to be addressed had the Bid proceeded, although it had not finally determined the matter. However, in light of the events which have occurred subsequently, the only remaining issue was whether a costs order should be made. The Panel has declined to make a declaration of unacceptable circumstances in relation to the Application. The Panel considers that it is not against the public interest to decline to make the declaration. As the Panel declined to make a declaration, it did not make any orders.

The sitting Panel consisted of Irene Lee, Rodd Levy and Chris Photakis (sitting President).

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