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**Tuesday, 18 September, 2007**

**Consolidated Minerals 02 – Panel Declines to Commence Proceedings**

The Panel has declined to commence proceedings in relation to an application by Territory Resources Limited (**Territory**) on 28 August 2007 (**Application**). The Application related to the conduct of Pallinghurst Resources Australia Limited (**Pallinghurst**) withdrawing its on-market order for up to 11.35 million Consolidated Minerals shares in the course of its off-market takeover bid for Consolidated Minerals Limited (**Consolidated Minerals**).

In its Application, Territory submitted that Consolidated Minerals shareholders had not had a reasonable and equal opportunity to participate in the Pallinghurst offer, or alternatively, that Pallinghurst had failed to ensure an efficient, competitive and informed market as a consequence of:

- (a) incomplete or misleading announcements to the market on 20 July and 16 August 2007; and
- (b) a delay in correcting foreseeable market speculation,

which combined to result in early acceptance by Consolidated Minerals shareholders of Pallinghurst's on-market purchase order for up to 11.35 million Consolidated Minerals shares.

Territory also submitted that statements within an announcement made by Pallinghurst on 24 August 2007 concerning the intentions or support of the Consolidated Minerals board were misleading in that they failed to disclose the number of shares that the Consolidated Minerals directors held, and that not all directors held shares.

Territory sought a declaration of unacceptable circumstances under either or both sections 657A(2)(a) and (b) of the *Corporations Act (Cth)* 2001 (**Act**), and orders under section 657D of the Act that Pallinghurst be required to divest itself of the shares purchased under the on-market order by selling them into the market, and making appropriate corrective statements to the market.

The Panel noted that, in aggregate, the submissions of Territory were arguably not entirely without merit. However, the Panel considered that there was no reasonable prospect that the conduct of Pallinghurst was sufficient to give rise to a declaration of unacceptable circumstances, and accordingly declined to commence proceedings.

The President of the Panel appointed John Keeves (sitting President), Alice McCleary and Simon Withers to form the Panel to consider the application.

The Panel will publish its reasons for decision in due course on its website.  
[www.takeovers.gov.au](http://www.takeovers.gov.au).

The Panel had a previous application in respect of this bid: see [TP 07/59](#).

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