Takeovers Panel

MEDIA RELEASE

Tuesday, 12 February 2008

Allegiance Mining NL – Panel Receives Application

The Takeovers Panel has received an application from Allegiance Mining NL (Allegiance), in relation to the affairs of Allegiance. Allegiance is the subject of an off-market, cash takeover bid by Zinifex Australia Limited (Zinifex).

Allegiance's application relates to the circumstances surrounding the extension of Zinifex's offer from 7pm on 8 February 2008 to 7pm on 22 February 2008, and the acceptance of the offer by Lion Selection Group Limited and others (the Relevant Shareholders). Allegiance submits that the conduct of Zinifex constitutes unacceptable circumstances on the basis that:

1.   Zinifex impliedly indicated to the market that it did not intend to extend its offer beyond the scheduled closing time;

2.   Zinifex did not inform the public of the extension of the offer until after the offer was scheduled to have closed; and

3.   the Relevant Shareholders were mislead or deceived into believing that the offer had not been extended.

Allegiance submits that the acquisition of shares did not take place in an efficient, competitive and informed market and shareholders were not given enough information to enable them to determine whether to accept Zinifex's offer. It seeks an interim order that Zinifex be prohibited from processing acceptances of the Relevant Shareholders.

Allegiance seeks final orders that the Relevant Shareholders have a right to withdraw their acceptances and that Zinifex inform them of that right and issue a statement to the market regarding that right and detailing the potential effect of the Relevant Shareholders exercising it.

A sitting Panel has not been appointed at this stage and no decision has been made as to whether to conduct proceedings in relation to the application. The Panel makes no comment on the merits of the application.

Allan Bulman
Director, Takeovers Panel
Level 47, 80 Collins Street
Melbourne, VIC 3000
Ph: +61 3 9655 3597
allan.bulman@takeovers.gov.au