



Wednesday, 25 June 2008

InterMet Resources Limited – Panel Decision

The Panel advises that it has decided not to make a declaration of unacceptable circumstances in response to an application dated 11 June 2008 from InterMet Resources Limited. The application concerned the scrip takeover offer for InterMet by Hillgrove Resources Limited (See TP08/55).

InterMet had sought a declaration of unacceptable circumstances in relation to disclosure in Hillgrove's bidder's statement. This included issues in relation to the calculation of premiums, Hillgrove's financial position, the disclosure surrounding the Kanmantoo Project (a major asset of Hillgrove), the adequacy of the risk factors, Hillgrove's future intentions and inconsistencies in the conditions to the Hillgrove offer.

In summary, the Panel requested the following changes be made to Hillgrove's bidder's statement:

1. A more up-to-date share price for both Hillgrove and InterMet. The Panel regarded it as best practice for a scrip offer to include for shareholders the most up-to-date share prices of the bidder and target reasonably available.
2. A clearer explanation of why the valuation methodology chosen by Hillgrove had been adopted.
3. Additional disclosure regarding the Kanmantoo Project, especially in relation to the financing and progress of the project.
4. Additional disclosure regarding the risks inherent in Hillgrove's business model, particularly in relation to the Kanmantoo Project.

On the basis of the further disclosure provided by Hillgrove, the Panel decided not to make a declaration of unacceptable circumstances.

The sitting Panel for the proceedings was Ian Ramsay (sitting President), Mike Roche and Heather Zampatti. The Panel will publish its reasons for the decision in due course on its website www.takeovers.gov.au.

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