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Monday, 30 June 2008

**Indophil Resources NL - Panel Receives Application**

The Takeovers Panel has received an application from Xstrata Queensland Limited in relation to the affairs of Indophil Resources NL. Indophil is the subject of a takeover offer by Xstrata.

On 20 June 2008, a consortium comprising Mr Richard Laufmann (Managing Director and CEO of Indophil), the Alsons Group and Crosby Asset Management Inc announced a competing cash takeover offer for Indophil at \$1.28 per share (valuing Indophil at approximately \$500 million).

Xstrata submits that the Consortium does not appear to have sufficient funding arrangements in place to support the bid or reasonable grounds to believe that it will be able to secure sufficient funding by the time the offers become unconditional.

Xstrata submits that unacceptable circumstances exist in relation to Indophil because:

1. the Consortium appears to have announced its bid without the Consortium having sufficient funding or a reasonable basis for believing it will be able to secure such funding and
2. the Consortium bid has created a false market for Indophil securities with the result that:
  - (a) it is not possible for the acquisition of control of shares in Indophil to take place in an efficient, competitive and informed market and
  - (b) Indophil shareholders do not have enough information to enable them to make an informed decision about the relative merits of the Consortium bid and the Xstrata offer.

Xstrata seeks final orders including that the Consortium:

1. provide the Panel with evidence (satisfactory to the Panel) of the Consortium's ability to pay the consideration under its bid
2. be prohibited from proceeding with its bid until it provides such sufficient evidence
3. be required to include in its bidder's statement certain information about the funding, including the ultimate source of the funds, the proportion given by each lender and the security given for the funds.

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

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