



Australian Government

Takeovers Panel

MEDIA RELEASE

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Tuesday, 7 July 2009

Rey Resources Limited - Panel Decision

The Panel accepted an undertaking from BBY Limited (see annexure) and declined to make a declaration of unacceptable circumstances in response to an application dated 22 June 2009 from Gujarat NRE Minerals Limited in relation to the affairs of Rey Resources Limited. (see [TP 09/49](#))

Gujarat announced a takeover bid for Rey on 3 June 2009. Rey announced a rights issue on 17 June 2009, underwritten by BBY. Gujarat submitted that the rights issue is a frustrating action and is likely to result in BBY obtaining a substantial interest (up to 12%) in Rey.

BBY informed the Panel that it had entered into agreements with sub-underwriters. The undertaking requires BBY to allocate any rights issue shortfall to those sub-underwriters. If BBY acquires or anticipates acquiring voting power in Rey of 5% or more, it is required to reduce its voting power in Rey to less than 5% by:

- using its best endeavours to find other sub-underwriters and
- to the extent that BBY is unsuccessful in finding other sub-underwriters, selling down its excess shares on market in the ordinary course as soon as practicable and in any event within 1 month of being issued the shares.

The Panel considers that the undertaking will address the circumstances complained of in the application and that it is not against the public interest to decline to make a declaration of unacceptable circumstances.

The sitting Panel was Robert Johanson, Andrew Lumsden (sitting president) 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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Annexure

**Section 201A
Australian Securities and Investments Commission Act (Cth)
Undertaking**

Rey Resources Limited

Pursuant to section 201A of the *Australian Securities and Investments Commission Act 2001* (Cth), BBY Limited (**BBY**) undertakes to the Panel that:

1. it will deal with any shortfall under the non-renounceable rights issue announced by Rey Resources Limited (**Rey**) on 17 June 2009 by allocating shortfall shares to specified sub-underwriters (subject to no sub-underwriter acquiring voting power in Rey of 5% or more) in accordance with its submissions to the Panel dated 30 June 2009 in response to question 5 of the Panel's brief dated 26 June 2009
2. in the event that BBY acquires or anticipates acquiring voting power in Rey of 5% or more:
 - (a) it will use its best endeavours to reduce its voting power in Rey to less than 5% by entering into alternate sub-underwriting agreements, whilst ensuring that no new sub-underwriter acquires voting power in Rey of 5% or more and
 - (b) to the extent BBY is unsuccessful in its best endeavours under paragraph 2(a) and BBY acquires voting power in Rey of 5% or more, BBY will sell down its shareholding on market in the ordinary course to voting power of less than 5% as soon as practicable and in any event within 1 month of being issued the shares
3. it will confirm in writing to the Panel once it has fulfilled its obligations.

**Signed by Mr Arun Maharaj
with the authority, and on behalf, of
BBY Limited
Dated 3 July 2009**