



Australian Government

Takeovers Panel

MEDIA RELEASE

No: 62/2010

Tuesday, 26 October 2010

Gladstone Pacific Nickel Limited Panel Receives Application and Makes Interim Orders

The Panel has received an application dated 25 October 2010 from RAB Special Situations (Master) Fund Limited in relation to the affairs of Gladstone Pacific Nickel Limited. Gladstone Pacific is a public company listed on the AIM market of the London Stock Exchange. The application concerns an off-market takeover offer for Gladstone Pacific by QNI Resources Pty Ltd. The offer was scheduled to close at 5.00pm (Sydney time) on 25 October 2010.

Gladstone Pacific lodged a target's statement in response to the offer with ASIC on 5 October 2010 and lodged a supplementary target's statement on 12 October 2010.

RAB submits, among other things, that the target's statement (as amended) is misleading:

- in stating that a director is the only independent director of Gladstone Pacific when he is not objectively independent of QNI and, in this asserted capacity, he gave a recommendation about QNI's offer that is more favourable than the recommendation given by the independent expert and
- as it does not contain any information about a prima facie case Gladstone Pacific has against one of the other directors of Gladstone Pacific and companies related to him to account for a benefit obtained by him in breach of his fiduciary duties. The original target's statement referred to the case.

Accordingly, RAB submits that the circumstances are contrary to s602(a) and s670A(1).¹

¹ s602(a) the acquisition of shares takes place in an efficient competitive and inform market, and s670A misleading or deceptive statements

RAB seeks interim orders that (a) the offer be extended until further order of the Panel and (b) that QNI be prohibited from processing any acceptances that have been received from shareholders of Gladstone Pacific in response to the offer the subject of QNI's bidder's statement and from issuing consideration to those Gladstone Pacific shareholders until further order of the Panel.

The President of the Panel made interim orders² on 25 October 2010, before the bid closed, that QNI be prohibited from processing any acceptances that have been received from shareholders of Gladstone Pacific in response to the offer the subject of QNI's bidder's statement and from issuing consideration to those Gladstone Pacific shareholders until further order of the Panel.

The interim orders have effect until the earliest of further order of the Panel, determination of the proceedings or 2 months from the date of the interim orders.

The President, or a sitting Panel once appointed, may consider it appropriate to review the interim orders.

A copy of the interim orders is attached.

RAB seeks final orders that (a) Gladstone Pacific issue a second supplementary target's statement which addresses the defects identified in its application and (b) that QNI offer to any shareholders of Gladstone Pacific who have accepted the offer the right to withdraw their acceptance or to rescind any concluded agreement.

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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² BACKGROUND: An interim order is designed to maintain the status quo until the Panel can consider the application in detail. It may be made by the President or a sitting Panel. Often a sitting Panel has not been appointed at the stage of considering the making of an interim order. An interim order does not indicate that the Panel has decided to conduct proceedings or necessarily indicate the merits of an application for a declaration of unacceptable circumstances.



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**CORPORATIONS ACT
SECTION 657E
INTERIM ORDERS**

GLADSTONE PACIFIC NICKEL LIMITED

RAB Special Situations (Master) Fund Limited made an application to the Panel dated 25 October 2010 in relation to the affairs of Gladstone Pacific Nickel Limited (**GPNL**).

GPNL is the subject of a takeover offer from QNI Resources Pty Ltd (**QNI**) which is due to close at 5.00pm (Sydney time) on 25 October 2010 (**Offer**).

The President ORDERS:

1. QNI be prohibited from processing any acceptances that have been received from shareholders of GPNL in response to the Offer the subject of QNI's Bidder's Statement and from issuing consideration to those GPNL shareholders until further order of the Panel.
2. These interim orders have effect until the earliest of:
 - (i) further order of the Panel
 - (ii) the determination of the proceedings and
 - (iii) 2 months from the date of these interim orders.

Alan Shaw
Counsel
with authority of Kathleen Farrell
President
Dated 25 October 2010