

Takeovers Panel Declares Unacceptable Circumstances

Australian iron ore producer **BC Iron Limited** (“**BC Iron**” or “**the Company**”) (ASX:BCI) advises that the Takeovers Panel yesterday made a declaration of unacceptable circumstances in response to BCI’s application to the Takeovers Panel. As announced by BC Iron on 21 March, that application related to Regent Pacific Group Limited’s (“**Regent Pacific**”) purported termination of the Scheme Implementation Agreement (“**SIA**”) with BC Iron.

The Takeovers Panel has made orders that Regent Pacific and its subsidiary Regent Pilbara Pty Ltd cannot rely on clause 15.1(d) of the SIA to terminate that agreement. A full copy of the SIA and the Takeovers Panel’s media release (dated 6 April 2011) on this matter have both been released to ASX and are available on the BC Iron website.

Regent Pacific has today made an announcement to the Hong Kong Stock Exchange. A copy of this announcement is attached.

In that announcement, Regent Pacific advises that

"Following the Company's [*Regent Pacific*] announcement on 15 March 2011 of its withdrawn recommendation of the Scheme and the giving of notice of termination of the proposed Scheme, SCB [*Standard Chartered Bank (Hong Kong) Limited*], for completeness and as a natural consequence of the Company's action, exercised its contractual right and terminated the Finance Documents [*the binding mandate letter and term sheet for a US\$155 million debt finance facility*], so as at the date of this announcement [*6 April 2011*] the debt finance is not available to fund the consideration payable under the Scheme.

The Company is currently exploring the possibility with SCB that the debt funding could be reinstated. There is no certainty that this will be achievable. If the financing with SCB is not made available to the Company on substantially the same terms as set out in the Finance Documents, the transaction with BCI [*BC Iron*] cannot proceed. ..."

In light of the Takeovers Panel's orders, BC Iron considers that the SIA is back on foot and will continue to comply with its obligations under that agreement. However, BC Iron cautions its shareholders (and market participants generally) to have regard to statements made by Regent Pacific in its announcement as these may be relevant to the prospects of the Scheme proceeding.

- ENDS -

FOR FURTHER INFORMATION:

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About BC Iron Limited

BC Iron is an iron ore development and mining company with key assets in the Pilbara region of WA. The Company's core asset is the Nullagine Iron Ore Project, a 50/50 joint venture with Fortescue Metals Group Limited. The JV will use Fortescue's infrastructure at Christmas Creek, 50 km south of the Mine, to rail its ore to Port Hedland from where it will be shipped to customers overseas. Mining commenced in November 2010 and first ore on ship occurred in February 2011 - just over four years from listing on the ASX. The Company plans to export 800,000t by June 2011 at which point BC Iron will be mining at a throughput of 3Mtpa.

Website: www.bcion.com.au



Regent Pacific Group Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 0575

6 April 2011

ANNOUNCEMENT

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TAKEOVERS PANEL MAKES DECISION IN RELATION TO TRANSACTION WITH BC IRON AND RESUMPTION OF TRADING

SUMMARY

The Australian Takeovers Panel has made a declaration of “unacceptable circumstances” and an order in relation to the termination of the scheme implementation agreement with BCI.

As completion of the acquisition of BCI by way of the Scheme remains subject to all previously announced conditions (other than Australian foreign investment approval, which has been received) including, in particular, the availability of debt finance on terms substantially similar to those contained in the Finance Documents, the Scheme may or may not proceed. The Company therefore cautions persons against trading in any securities of BCI or the Company on the basis of the Scheme proceeding.

The Shares were, at the Company’s request, suspended from trading on the HK Stock Exchange with effect from 9:00 a.m. on Wednesday, 6 April 2011, pending the publication by the Company of this announcement. The Company has made an application to the HK Stock Exchange for resumption of trading of its Shares with effect from 1:30 p.m. on Wednesday, 6 April 2011.





Takeovers Panel's decision

Pursuant to an application lodged with the Australian Takeovers Panel dated 21 March 2011, BC Iron Limited ("**BCI**") sought a declaration of "unacceptable circumstances" in relation to the scheme implementation agreement dated 20 January 2011 between Regent Pacific Group Limited (the "**Company**") and BCI ("**SIA**") in respect of the scheme of arrangement announced by the Company and BCI on 20 and 21 January 2011, respectively ("**Scheme**").

In particular, BCI sought a declaration that the termination of the SIA by the Company, which was announced by the Company on 15 March 2011 after much careful, good faith deliberation by the Board (with the benefit of requested and appropriate legal advice, but without consulting with its financial adviser), involved "unacceptable circumstances".

The Takeovers Panel has made a declaration of "unacceptable circumstances" and an order that the Company cannot rely on its contractual right of termination due to that right not being disclosed to the market when the transaction was announced. A copy of a media release from the Takeovers Panel concerning the decision dated 6 April 2011 is attached.

Although the Company maintains that it has always acted in accordance with the terms of the SIA, the orders of the Takeovers Panel mean that the Company is prevented from exercising its contractual right of termination of the SIA.

However, the Company cautions persons against trading in any securities of BCI or the Company in the expectation that the Scheme will proceed.

As previously announced by the Company on 20 January 2011, the SIA is conditional upon USD 155 million (or approximately HKD 1,205 million) of debt finance continuing to be available in respect of a debt facility with and arranged by Standard Chartered Bank (Hong Kong) Limited ("**SCB**") pursuant to a binding mandate letter and term sheet ("**Finance Documents**").

Following the Company's announcement on 15 March 2011 of its withdrawn recommendation of the Scheme and the giving of notice of termination of the proposed Scheme, SCB, for completeness and as a natural consequence of the Company's action, exercised its contractual right and terminated the Finance Documents, so as at the date of this announcement the debt finance is not available to fund the consideration payable under the Scheme.

The Company is currently exploring the possibility with SCB that the debt funding could be reinstated. There is no certainty that this will be achievable. If the financing with SCB is not made available to the Company on substantially the same terms as set out in the Finance Documents, the transaction with BCI cannot proceed.



The Company will advise of any material developments in respect of the financing of the Scheme or the Scheme more generally.

As completion of the acquisition of BCI by way of the Scheme remains subject to all previously announced conditions (other than Australian foreign investment approval, which has been received) including, in particular, the availability of debt finance on terms substantially similar to those contained in the Finance Documents, the Scheme may or may not proceed. The Company therefore cautions persons against trading in any securities of BCI or the Company in the expectation that the Scheme will proceed.

Resumption of trading

The shares of the Company ("**Shares**") were, at the Company's request, suspended from trading on The Stock Exchange of Hong Kong Limited (the "**HK Stock Exchange**") with effect from 9:00 a.m. on Wednesday, 6 April 2011, pending the publication by the Company of this announcement. The Company has made an application to the HK Stock Exchange for resumption of trading of its Shares with effect from 1:30 p.m. on Wednesday, 6 April 2011.

On Behalf of the Board of
Regent Pacific Group Limited

Jamie Gibson
Director

Directors of the Company:

James Mellon (*Co-Chairman*)^{*}
Stephen Dattels (*Co-Chairman*)^{*}
Jamie Gibson (*Chief Executive Officer*)
David Comba[#]
Julie Oates[#]
Mark Searle[#]
Jayne Sutcliffe^{*}

^{*} *Non-Executive Directors*

[#] *Independent Non-Executive Directors*

Hong Kong, 6 April 2011



Australian Government

Takeovers Panel

MEDIA RELEASE

No: 25/2011

Wednesday, 6 April 2011

BC Iron Limited - Declaration of Unacceptable Circumstances and Orders

The Panel has made a declaration of unacceptable circumstances (Annexure A) and final orders (Annexure B) in relation to an application dated 21 March 2011 by BC Iron Limited (**BCI**) in relation to its affairs.

Background

On 20 January 2011, BCI entered into a scheme implementation agreement (**SIA**) with Regent Pacific Group Limited (**Regent Pacific**), which owns or controls 19.49% of BCI, and Regent Pacific's wholly owned subsidiary, Regent Pilbara Pty Ltd (**Pilbara**). Under the SIA, Pilbara would acquire by scheme of arrangement all the fully paid ordinary shares in BCI (except those already held) for \$3.30 per share.

Clause 15.1(d) of the SIA provides that Regent Pacific may terminate the SIA where the Regent Pacific Board publicly changes or withdraws its recommendation. This termination right was not disclosed.

Clause 10.2 of the SIA provides that the Regent Pacific Board may change or withdraw its recommendation if the Regent Pacific Board has determined in good faith, having received a specific written opinion from Senior Counsel on the matter, that its fiduciary and statutory duties to Regent Pacific require it to do so. This right was not disclosed.

On 15 March 2011, Regent Pacific announced that the Regent Pacific Board had decided to withdraw its recommendation of the necessary Regent Pacific shareholder resolutions in reliance on clause 10.2 of the SIA and that Regent Pacific was terminating the SIA under clause 15.1(d) with immediate effect.

On 22 March 2011, BCI released a copy of the SIA on ASX.

Declaration

In the Panel's view, by reason of the non-disclosure of Regent Pacific's right to terminate based on clause 15.1(d) of the SIA and Regent Pacific's subsequent reliance on the right, the acquisition of control over voting shares in BCI has not taken place in an efficient, competitive and informed market.

The Panel considers that it is not against the public interest to make a declaration of unacceptable circumstances. It has had regard to the matters in s657A(3).

Orders

The Panel has made orders that Regent Pacific and Pilbara cannot rely on clause 15.1(d) of the SIA to terminate that agreement.

The sitting Panel was Guy Alexander (sitting President), John M Green and Vicki McFadden.

The Panel will publish reasons for the decision in due course on its website www.takeovers.gov.au.

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Annexure A

CORPORATIONS ACT SECTION 657A DECLARATION OF UNACCEPTABLE CIRCUMSTANCES

BC IRON LIMITED

1. BC Iron Limited (**BCI**) is an ASX listed company (ASX code: BCI).
2. On 20 January 2011, BCI entered a scheme implementation agreement with Regent Pacific Group Limited (**RP**), which owns or controls 19.49% of BCI, and RP's wholly owned subsidiary, Regent Pilbara Pty Ltd (**Pilbara**).
3. Under the agreement, Pilbara would acquire by scheme of arrangement all the fully paid ordinary shares in BCI (except those already held) for \$3.30 per share.
4. Clause 10.2 of the agreement provided:

The Regent Pacific Board may change or withdraw its recommendation, and any Regent Pacific Director may announce his intention to vote against the Regent Pacific Shareholder Resolutions or to abstain from voting on the Regent Pacific Shareholder Resolutions any Regent Pacific Shares in respect of which they have the power to direct a vote, if the Regent Pacific Board has determined in good faith, having received a specific written opinion from a Senior Counsel on the matter, that its fiduciary and statutory duties to Regent Pacific (including having regard to the best interests of holders of Regent Pacific Shares) require it do so.
5. Clause 15.1(d) of the agreement provided:

Regent Pacific may terminate this agreement at any time before 8.00 am on the Second Court Date by notice in writing to [BCI]:

(d) if the Regent Pacific Board publicly changes or withdraws its recommendation;
6. Under clause 8 of the agreement, BCI was required to issue an announcement to ASX. "Announcement" was defined as an announcement by BCI in the form agreed by the parties.
7. BCI made an announcement to ASX dated 21 January 2011 and RP made an announcement to the Hong Kong Stock Exchange (**HKSE**) dated 20 January 2011 of the agreement. Each announcement contained a summary of the key terms of the agreement, including termination rights, but neither announcement referred to RP's right to terminate the agreement based on clause 15.1(d).
8. On 14 March 2011, RP advised BCI that the RP Board intended to publicly withdraw its recommendation of the necessary RP shareholder resolutions in reliance on clause 10.2 of the SIA and that RP was terminating the SIA pursuant to clause 15.1(d) with immediate effect from the time of that withdrawal. On 15 March 2011, RP announced its withdrawal to the HKSE.

9. By reason of the non-disclosure of RP's right to terminate based on clause 15.1(d) and RP's subsequent reliance on the right, the acquisition of control over voting shares in BCI has not taken place in an efficient, competitive and informed market.
10. It appears to the Panel that the circumstances are unacceptable having regard to the purposes of Chapter 6 set out in section 602.
11. The Panel considers that it is not against the public interest to make a declaration of unacceptable circumstances. It has had regard to the matters in section 657A(3).

DECLARATION

The Panel declares that the circumstances constitute unacceptable circumstances in relation to the affairs of BCI.

Alan Shaw
Counsel
with authority of Guy Alexander
President of the sitting Panel
Dated 5 April 2011

Annexure B

**CORPORATIONS ACT
SECTION 657D
ORDERS**

BC IRON LIMITED

The Panel made a declaration of unacceptable circumstances on 5 April 2011.

THE PANEL ORDERS

Regent Pacific Group Limited and Regent Pilbara Pty Ltd cannot rely on clause 15.1(d) of the Scheme Implementation Agreement to terminate that agreement (the Scheme Implementation Agreement was referred to in BC Iron Limited's announcement to ASX on 21 January 2011 and released to the ASX on 22 March 2011).

**Alan Shaw
Counsel
with authority of Guy Alexander
President of the sitting Panel
Dated 5 April 2011**