

**ASX RELEASE – 15 APRIL 2011**

## **Regent Pacific Re-Instates Financing for Scheme of Arrangement**

Australian iron ore producer **BC Iron Limited (BC Iron or the Company)** (ASX:BCI) refers to its announcement of 7 April 2011, in which it advised that it had put Regent Pacific Group Limited (**Regent Pacific**) on notice in relation to the satisfaction of the finance condition to which the Scheme Implementation Agreement (**SIA**) was subject.

On 14 April 2011, Regent Pacific advised BC Iron that it had entered into a binding mandate letter with Standard Chartered Bank (Hong Kong) Limited (**SCB**) and Westpac Banking Corporation in respect of the provision of up to US\$155 million of debt finance (**Debt Facility**) for the purpose of the Scheme of Arrangement (**Scheme**). The Debt Finance is on substantially similar terms to the finance documents which were previously in place with SCB for the purposes of providing funding for the Scheme. Accordingly, the SIA condition concerning the continued availability of debt finance is satisfied as at the date of this announcement and BCI will now take steps consistent with its obligations under the SIA.

In addition, Regent Pacific's Board has decided to change its recommendation to its shareholders that they now vote in favour of the transaction to acquire all the shares in BC Iron that Regent does not own. Additionally all Directors of Regent Pacific have advised they intend to vote any Regent Pacific shares in respect of which they have the power to direct a vote in favour of the resolutions to be put to Regent Pacific shareholders in relation to the transaction (subject to change or withdrawal in accordance with clause 10.2 of the SIA).

These developments follow the Takeover's Panel declaration of unacceptable circumstances in respect of Regent Pacific's purported termination of the SIA as announced on 6 April 2011.

A copy of Regent Pacific's announcement to the Hong Kong Stock Exchange is attached.

It should be noted there is no guarantee that the Scheme will be implemented as its completion is subject to conditions previously announced including the report of an Independent Expert that the Scheme is in the best interests of BC Iron shareholders.

### **Next Steps**

BC Iron and Regent Pacific will now work together to finalise the Scheme Booklet in a timely manner to enable all shareholders to consider the merits of the Scheme on a fully informed basis.

The update of the indicative timetable in relation to the Scheme is as follows:

<b>Event Date</b>	<b>Indicative Date</b>
Issue of the Scheme Booklet	Early June 2011
Scheme meeting of BC Iron Shareholders	Late June / Early July 2011
Second court date	Mid July 2011
Implementation of Scheme	End July 2011

- ENDS -

**FOR FURTHER INFORMATION:**

TONY KIERNAN / MIKE YOUNG  
 CHAIRMAN / MANAGING DIRECTOR  
 BC IRON LIMITED  
 TELEPHONE: +61 8 6311 3400

**RELEASED BY:**

DAVID TASKER / JAMES HARRIS  
 PROFESSIONAL PUBLIC RELATIONS  
 TELEPHONE: +61 8 9388 0944

BC IRON SHAREHOLDER HOTLINE  
 AUSTRALIA: 1300 730 439  
 INTERNATIONAL: +61 8 9388 0944

**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](http://www.bcion.com.au)



# Regent Pacific Group Limited

*(Incorporated in the Cayman Islands with limited liability)*

Stock Code: 0575

14 April 2011

## ANNOUNCEMENT

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### **DEBT FINANCE REINSTATED FOR TRANSACTION BOARD RECOMMENDS SHAREHOLDERS VOTE IN FAVOUR OF THE TRANSACTION DELAY IN DESPATCH OF THE CIRCULAR RELATING TO VERY SUBSTANTIAL ACQUISITION RESUMPTION OF TRADING**

#### **SUMMARY**

Debt finance for the purpose of the acquisition of BCI by way of the Scheme has been reinstated. The Company will proceed with the Transaction in accordance with the terms of the SIA with BCI, and the Board will recommend that the Company's shareholders vote in favour of the Transaction.

Investors and shareholders alike should continue to exercise caution in respect of the implementation of the Scheme given the conditions that continue to attach to the Transaction.





Given the delays which have occurred as a result of the proceedings in the Australian Takeovers Panel and the negotiations to reinstate the debt finance, the despatch date of the Circular will be postponed to no later than 13 May 2011.

The Shares were, at the Company's request, suspended from trading on the HK Stock Exchange with effect from 9:00 a.m. on Thursday, 14 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 9:00 a.m. on Friday, 15 April 2011.

Regent Pacific Group Limited (the "**Company**") refers to the announcements issued by the Company on 20, 21 and 25 January 2011 (the "**Announcements**") in respect of the proposed conditional all cash takeover offer for BC Iron Limited ("**BCI**") by way of a scheme of arrangement ("**Scheme**") by Regent Pilbara Pty Limited (a wholly-owned subsidiary of the Company) ("**Regent Pilbara**").

Capitalised terms used in this announcement shall have the same meaning given to them in the Announcements (unless otherwise defined herein).

The Company refers to the announcement issued by the Company on 6 April 2011 in relation to the scheme implementation agreement dated 20 January 2011 between the Company and BCI ("**SIA**"). The Australian Takeovers Panel made a declaration of "unacceptable circumstances" in relation to the termination of the SIA by the Company announced on 15 March 2011 and an order that the Company cannot rely on its contractual right of termination which was not disclosed to the market when the Transaction was announced.

### **Reinstatement of debt finance and financial advisory mandate**

As at 6 April 2011, the debt finance to fund the consideration payable under the Scheme had ceased to be available. Following the orders of the Australian Takeovers Panel, the Company initiated discussions with Standard Chartered Bank (Hong Kong) Limited ("**SCB**") and Westpac Banking Corporation with a view to reinstating the debt finance facility.

The Company is pleased to announce that the Company has, on 14 April 2011, executed a binding mandate letter with SCB and Westpac Banking Corporation, as co-lenders and mandated lead arrangers, with material terms and conditions scheduled thereto ("**Finance Documents**"), in respect of the provision of up to US\$155 million (or approximately HK\$1,209 million) of debt finance for the purpose of the Scheme ("**Debt Facility**"). The Finance



Documents are on substantially similar terms to the finance documents which were previously in place with SCB for the purposes of funding for the Scheme.

Accordingly, the condition to the SIA concerning the continued availability of debt finance remains satisfied as at the date of this announcement. The Company will continue to comply with its obligations under the SIA in relation to the implementation of the Scheme.

Regent Pilbara will act as borrower to the Debt Facility and the Company will act as guarantor.

Further particulars of the Debt Facility, together with the security to be provided to SCB and Westpac Banking Corporation, will be set out in the very substantial acquisition circular to be issued by the Company to shareholders in relation to the Scheme (“**Circular**”).

In association with the reinstatement of the Debt Facility, SCB’s position as the Company’s financial advisor in respect of the Transaction has also been reinstated.

### **Recommendation of the Transaction**

The withdrawal of the Board’s recommendation in relation to the Transaction was announced by the Company on 15 March 2011 for the reasons then stated. The Board was (and is) permitted under the SIA to change or withdraw its recommendation where the Board decided in good faith, having received a specific written legal opinion from Australian Senior Counsel on the matter, that its fiduciary and statutory duties to the Company (including having regard to the best interests of the Company’s shareholders) require it to withdraw its recommendation in respect of the proposed Transaction. As at 15 March 2011, these requirements were satisfied.

The contractual provisions of the SIA permit the Company to terminate the SIA where the Board changes its recommendation. Termination of the SIA would allow the Company to avoid the significant expenditure of monetary and other resources associated with prosecuting the Scheme. This ability to save what the Board considered to be futile expenditure was a fundamental element supporting the Board’s decision to withdraw its recommendation for the Transaction.

The declaration by the Australian Takeovers Panel of “unacceptable circumstances” and its consequential orders preclude the Company from relying on its contractual right to terminate the SIA in the event the Board changes or withdraws its recommendation in relation to the Transaction, with the result that a change of Board recommendation does not allow the Company to avoid the expenditure of monetary and other resources.

In light of these matters, and also taking into account public statements from the major shareholder in BCI, Consolidated Minerals Pty Limited, with respect to its position, the Board



has decided to change its withdrawn recommendation in respect of the Transaction and now recommends that the Company's shareholders vote in favour of the Transaction. All Directors of the Company intend to vote any Company shares in respect of which they have the power to direct a vote in favour of the resolutions to be put to shareholders in relation to the Transaction. Such recommendation by the Board, and the stated voting intention of the Company's Directors, are each subject to the circumstances in which the Board may change or withdraw its recommendation or the Company's Directors may change their voting intentions in accordance with clause 10.2 of the SIA.

### **Delay in despatch of circular relating to very substantial acquisition**

The Company refers to the announcement issued by the Company on 28 February 2011 that, as additional time was required for the Company to prepare certain information to be included in Circular, the despatch date for the Circular would be postponed to no later than 15 April 2011.

Given the delays which have occurred as a result of the proceedings with the Australian Takeovers Panel, the negotiations to reinstate the debt finance and the additional time required by the Company to prepare and finalize certain information required for the Circular, the despatch date of the Circular will be postponed to no later than 13 May 2011.

### **Conditions to the Transaction remain**

As completion of the acquisition of BCI by way of the Scheme remains subject to the fulfilment of a number of conditions, the Scheme may or may not proceed (refer to the BCI announcement of 22 March 2011 which attached the SIA for full details of these conditions and SIA termination events). The Company therefore cautions persons trading in any securities of BCI or the Company that there can be no assurance that the Scheme will be implemented.

The Company looks forward to the resumption of the Scheme approvals process and, given a successful outcome, intends to continue to work closely with the management and staff of BCI.



## 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 Thursday, 14 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 9:00 a.m. on Friday, 15 April 2011.

On Behalf of the Board of  
**Regent Pacific Group Limited**

Jamie Gibson  
*Director*

### **Directors of the Company:**

James Mellon (*Co-Chairman*)<sup>\*</sup>

Stephen Dattels (*Co-Chairman*)<sup>\*</sup>

Jamie Gibson (*Chief Executive Officer*)

David Comba<sup>#</sup>

Julie Oates<sup>#</sup>

Mark Searle<sup>#</sup>

Jayne Sutcliffe<sup>\*</sup>

<sup>\*</sup> *Non-Executive Directors*

<sup>#</sup> *Independent Non-Executive Directors*

Hong Kong, 14 April 2011