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## **Bhushan Steel acquisition of Brown Energy hits takeover panel**

*Friday, 16 Oct, 2009*

BS reported that Bhushan Steel of Australia's acquisition of Australian coal and mineral exploration company, Bowen Energy has hit the Australian Takeovers Panel hurdle with the board ordering a re valuation of the coal tenements held by Bowen.

If the valuation is different from earlier Bhushan may be required to divest the shares it got under its takeover offer to those who want these back. The decision was in response to an application by Macrae Holdings.

Bhushan Steel of Australia a part of the Bhushan Steel group announced an open offer for Bowen at 14 cents per share on July 10. The bid closed on August 26 and Bhushan had voting power in 58.81% of Bowen at the end of the bid. Prior to the offer, Bhushan had earlier held a 23% stake in Bowen.

On July 24, Bowen issued a target's statement, attaching an independent expert's report by Howrath. The report included a revised independent valuation of the coal tenements held by Bowen from Minnelex Pty Ltd, which valued Bowen's shares at 3.53 to 5.51 cents each.

The takeover panel found material deficiencies in Minnelex's July 23rd 2009 report regarding some of the values found, as well as the logic involved and compliance issues. So, the panel made a declaration of unacceptable circumstances as the acquisition of control over Bowen shares had not taken place in an efficient and competitive manner. The panel has ordered that the independent directors of Bowen procure a report by a new independent expert to provide a satisfactory valuation of Bowen as on July 23.

(Sourced from Business Standards)

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