
Warwick Resources recommends Atlas Iron offer

Tuesday, 08 Sep, 2009

Atlas Iron has made a friendly AUD 64.4 million takeover offer for fellow WA iron ore play Warwick Resources to up its resources in the Pilbara. Under the plan, Atlas is offering one of its share for every three Warwick shares.

Based on Atlas' closing price yesterday at AUD 1.67 a share, this represents a bid of 55.67 cents per Warwick share and a 48% premium to Warwick's average share price over the past 30 days.

The offer, being made under a scheme of arrangement, is subject to court and regulator approvals and the approval of Warwick shareholders at a meeting due to be held in November.

Warwick's board has recommended shareholders vote in favor of the merger with Atlas, which is currently its largest shareholder with 22%, in the absence of a superior offer.

Mr Will Burbury chairman of Warwick said that "Atlas has made a very attractive offer to Warwick shareholders, which not only provides an immediate uplift in the value of Warwick shares, but provides our stakeholders the opportunity to participate in the continued development of our projects."

He said the merger will also give shareholders exposure to a rapidly growing production profile, as well as Atlas' mining and marketing expertise.

(Sourced from www.news.com.au)

For more news visit at www.steelguru.com