brockman resources.

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BROCKMAN'S RESPONSE TO THE TAKEOVER PANEL'S REASONS

Brockman Resources Limited **(ASX Code: BRM – "Brockman" or "the Company")** notes that the Takeovers Panel today published the full reasons for its decision on Brockman's recent application seeking interim and final orders (including a declaration of unacceptable circumstances) in relation to the current takeover offer by Hong Kong-based Wah Nam International Holdings Limited ("Wah Nam").

The Company's application (of 10 January 2011) was based on submissions that several Brockman shareholders were associates of Wah Nam in relation to Brockman and had breached the 20% shareholding threshold and the substantial holding notice provisions.

On 1 February 2011, the Panel declined to make a declaration of unacceptable circumstances. In the reasons for its decision, the Panel stated that it was not satisfied on the material available to it that it could draw the necessary inferences and find the alleged associations. Nor was the Panel satisfied that the circumstances were unacceptable in this case.

The Company's Board decided to proceed with the initial application because it had genuine concerns that the interests of Brockman shareholders may have been prejudiced by the activity of, and connections between, some of its shareholders. The Panel's reasons for its decision note amongst other things:

- a co-incidence in the timing of acquisitions and disposals of Brockman shares by Wah Nam and Leading Pride, which is worth further investigation because of the business relationship between Mr Peter Luk (the Executive Chairman of Wah Nam) and Leading Pride and the fact that the funds for Leading Pride's acquisitions were partly provided by a company subsequently acquired by Mr Luk;
- some unusual funding of acquisitions of Brockman shares;
- discussions between certain shareholders and a pattern of acquisitions and disposals which are worth further investigation in the Panel's view;
- that the Panel will invite ASIC to consider the material;
- a failure to lodge a substantial shareholder notice by Mr Wong, which may have been a breach of the Corporations Act; and
- some implausible answers by certain parties named by Brockman in its application.

The Panel also noted there may be new circumstances if some or all of the shareholders in the application accept Wah Nam's bid such that it enables further inferences to be drawn and they support an association. The Panel also indicated that, in the course of proceedings, Brockman had, at times, sought to make conclusions and extrapolations that did not appear to be fully supported by the evidence.

While noting that the application had been unsuccessful, Brockman's Chairman, Mr Barry Cusack, said the Board believed that some of the matters raised in the Panel's reasons published today were illustrative of the

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concerns that the Board held and continued to hold, even if the activity and connections do not amount to a prohibited association under the takeovers provisions of the Corporations Act. Brockman intends to continue to closely monitor its share register and will assist ASIC in any investigation or action which it takes.

The Board's recommendation remains that Brockman shareholders **DO NOT ACCEPT** the Wah Nam offer. To do so, shareholders should disregard any documents they receive from Wah Nam.

The Wah Nam bid remains highly conditional. The offer has again been extended and is now scheduled to close on 15 March 2010. Wah Nam has not advised that it has received any material acceptances despite the offer being open now for nearly three months.

A full copy of the reasons is available at takeovers.gov.au and the Company encourages shareholders to read the reasons for the decision in full.

If you have any questions in relation to the Wah Nam offer, please call the Brockman shareholder information line on 1300 134 857 (for calls made from within Australia) or (03) 9415 4216 (for calls made from outside Australia)."

—ENDS—

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