



Bhushan-backed bid for miner increased

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Resources

TOUGH talking by senior executives from Bhushan Steel has convinced Bowen Energy to improve its offer for junior coking coal hopeful Rocklands Richfield.

Bowen, which has an investment agreement with Bhushan for the development of its Bowen Basin coal tenements in Queensland, yesterday announced it had improved the cash component of its offer by 300 per cent, as it gets serious about winning the rights to Rocklands lucrative exploration assets, also in the Bowen.

Bhushan has committed to Bowen an unsecured loan facility for \$25.3 million to fund the new offer, which stands at 40c cash and one Bowen share for every two Rocklands shares.

Bhushan is listed on the National Stock Exchange of India with a market capitalisation of \$1.2 billion and is pinning its hopes on securing Australian raw resources to feed its growing profile.

The loan is conditional on Bowen securing at least 50.1 per cent of Rocklands' stock in its hostile bid for the company which closes on September 27.

Bowen has promised to repay the entire loan amount within three years, if it secures 90 per cent of Rocklands stock. Failing that, Bhushan can convert the facility into Bowen stock subject to shareholder approval. Rock-

lands' assets include the Hill-along and Rocklands tenements covering 1000 square kilometres in the sought-after Bowen region which combined have an underground coal resource of 384 million tonnes.

Rocklands has so far rejected Bowen's advances and favours a reverse takeover proposal by Chinese Coke & Chemicals which would see the Rocklands issue CC&C with 100 million shares for \$26.7 million. That would dilute Rocklands' existing capital structure of 84 million shares.

Rocklands has also signed an

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agreement with China's Huabei Mining to jointly develop its Bowen assets.

Rocklands said yesterday that it had serious concerns about Bhushan's loan facility and would issue a formal statement on Monday.

The CC&C deal will go to a shareholder vote on Tuesday which, if approved, would crush Bowen's bid for the company.

Rocklands shares gained 7.5c to 28c while Bowen stock added 0.5c to 26c.

This effectively valued Rocklands scrip at 33c under the revised bid structure.