

FINANCIAL REVIEW

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HD **Aquila walks the rice paper without tearing it**
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LP

Independence can be a vexed concept, to be sure, but takeover target Aquila Resources is sticking to the letter of the Macquarie, Oxford, Collins, Merriam Webster and even the Urban Dictionary (not suitable for children) in its unswerving commitment to due process.

Aquila chairman Tony Poli started snapping up small exploration companies and tenements from an initial \$75,000 in 1992. Through a series of share and option issues, by 2008 his loot had appreciated somewhat – to be worth \$1.5 **billion**. He now owns 29 per cent of the issued capital, worth \$420 **million**.

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We're in the wrong caper! If only we'd bought ourselves a few bargain **mining** plots and piled on more options than a top-of-the-line Mercedes.

Queensland rail freight giant Aurizon and **Chinese iron** and steel group Baosteel launched a takeover last month, offering Aquila \$3.40 per share. The two bidders already jointly own 40 per cent of the **company**.

Poli wrote to shareholders last week, informing them he'd formed an independent board sub-committee to ensure an objective assessment of the bid.

Poli sits on this independent committee so the largest shareholder is participating in this objective assessment of the takeover bid. A **Chinese** wall or a rabbit-proof fence. A few yards of flyscreen? A window open to the fresh air, perhaps?

Zhaoming Lu, who is Baosteel's representative on the board, is not on the committee. A separate, independent expert has also been appointed to advise shareholders.

Poli's spokesman said his large **stake** means "his interests are completely aligned with all shareholders and our feedback from them is that they're happy with that".

In the meantime, keep an eye out for a Solomon Lew type popping up on the register this week. There's strongly tipped to be a blocking **stake** about to emerge.

CO aqres : Aquila Resources Ltd.
IN i211 : Metal Ore Mining | ibasicm : Basic Materials/Resources | igoldm : Gold Ore Mining | imet : Mining/Quarrying
NS ccat : Corporate/Industrial News
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