



## OAKS HOTELS & RESORTS

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May 20, 2011

### OAKS RESPONSE TO EDGE PROPOSAL (ASX:OAK)

On 19 May 2011, Oaks Hotels & Resorts Limited ("**Oaks**") advised that it had received a conditional proposal from Edge Equity Investors Ltd ("**Edge**") to make a conditional takeover offer for all of the issued shares in Oaks for \$0.60 per share.

The Board of Oaks has considered the proposal from Edge. Your Board has worked throughout the period of Minor's offer to seek an improved alternative transaction to the original Minor offer. While the offer price proposed by Edge of \$0.60 exceeds Minor's revised offer, the proposal as presented is highly conditional and is subject to financier due diligence.

The Edge proposal provides that a takeover offer will only be made after satisfaction of a number of conditions, including:

- confirmatory due diligence by Edge and its financiers for a period of up to four weeks; and
- no party acquiring more than 50% of the shares in Oaks.

Given that Minor holds a relevant interest in 60.3% of the shares in Oaks, the Edge proposal is in effect conditional on ASIC's decision to grant Minor tender offer relief to acquire the 34.4% of shares in Oaks held by PricewaterhouseCoopers as receivers and managers of Centrepont Holdings Pty Ltd (receivers and managers appointed) and Oaks Apartment Management Pty Ltd (receivers and managers appointed), being overturned.



Your Board notes that Edge has presented Oaks with a conditional proposal to make an offer and that the proposal itself is not an announced takeover offer.

The conditional proposal provides that any announced takeover offer would be subject to a number of defeating conditions, including FIRB approval and a no material adverse change condition.

In consideration of these factors, the Board does not consider the Edge proposal as presented to be a superior offer and maintains its recommendation that Oaks shareholders **ACCEPT** Minor's offer of \$0.52 per share, in the absence of a superior offer.

Your Board will keep you informed of any developments.

If you have any questions, please call the shareholder enquiry line on 1300 668 902 within Australia or +612 8022 7902 from overseas.

- ENDS -

**Further information:**

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