



Australian Government

Takeovers Panel

# MEDIA RELEASE

No: TP15/38

Monday, 20 July 2015

## Echo Resources Limited – Panel Declines to Conduct Proceedings

The Panel has declined to conduct proceedings on an application dated 10 July 2015 from Echo Resources Limited in relation to its affairs.

On 25 June 2015, Echo received a section 249D<sup>1</sup> notice seeking the removal of two directors of Echo and a notice of intention to convene a meeting under section 249F for the appointment of two new directors. Subsequently a further notice of intention under section 249F was received by Echo adding a third director to be appointed. On 10 July 2015, Echo received a second notice under section 249D to requisition a meeting to consider the appointment of the three nominee directors.

On 10 July 2015, shareholders who collectively held voting power of 7.56% in Echo lodged a substantial holder notice with Echo disclosing their association in respect of the requisitioned shareholder meeting. This was updated by a further substantial holder notice dated 13 July 2015 adding an additional associate (the **Requisitioning Associates**).

Echo submitted, among other things, that Michael Soucik was an associate of the Requisitioning Associates and that the substantial holder notice lodged by them was deficient. Mr Soucik holds a relevant interest in 4.97% of Echo and acted as a sub-underwriter to a rights issue completed by Echo on 11 June 2015 (see [TP15/37](#)).

It is for an applicant to demonstrate a sufficient body of evidence of association so as to warrant the Panel conducting proceedings.<sup>2</sup> The Panel considered that, while there may appear to be a couple of unusual features in this case, it had not been provided with a sufficient body of evidence to establish prima facie, even with the drawing of appropriate inferences, any association beyond that which has already been disclosed.

Accordingly, the Panel concluded there was no reasonable prospect that it would make a declaration of unacceptable circumstances and declined to conduct proceedings.

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<sup>1</sup> References are to the *Corporations Act 2001* (Cth) unless otherwise indicated

<sup>2</sup> see *Mount Gibson Iron* [2008] ATP 4

The sitting Panel was Garry Besson (sitting President), Richard Hunt and Denise McComish.

The Panel will publish its reasons for the decision in due course on its website [www.takeovers.gov.au](http://www.takeovers.gov.au).

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