

16 October 2009

The Manager
Companies Announcements Office
Australian Securities Exchange
Level 4, 20 Bridge Street
Sydney NSW 2000
Dear Sir/Madam

RESPONSE TO INCREASED CASH BID PRICE FROM ECURB AUSTRALIA PTY LTD

Variation to GPG's bid price

The Independent Directors of MMC Contrarian Limited (**MMC**) note today's announcement from Ecurb Australia Pty Limited (**GPG**) that:

- (a) GPG has increased the offer price under its on-market takeover bid from \$0.48 to \$0.50 per MMC share (**Share**), and declared the increased offer price final (meaning that GPG will not increase the offer price above \$0.50); and
- (b) GPG's on-market offer will not be extended beyond the close of trading on 23 October 2009 (in the absence of a third party bid), unless the offer period is automatically extended in the event that GPG's voting power in MMC increases to above 50% in the final 7 days of the offer. If an automatic extension occurs, GPG has reserved the right to make further extensions in its discretion.

GPG's voting power in MMC was at 28.99% when the variation was announced today.

No change in recommendation to MMC shareholders

The Independent Directors of MMC continue to recommend that shareholders do not accept the increased, final GPG offer by selling Shares at \$0.50. The reasons for this recommendation in relation to the original \$0.48 offer price, which were set out in MMC's Target's Statement (released to ASX on 16 September 2009), are still materially applicable to the increased offer price.

In particular, the \$0.50 offer price per Share continues to represent a discount per MMC Share of:

- 12% to cash backing;
- 13% to net tangible assets before tax; and
- 23% to net assets before tax.

However, as noted in the Target's Statement there are certain risks involved in remaining a shareholder of MMC. Shareholders who wish to take advantage of the liquidity afforded by the increased, final GPG offer of an unconditional cash price for all Shares may consider selling their Shares for the best price available on market.

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The Independent Directors are those MMC directors other than Mr Anthony Eisen and Mr Michael Jefferies, who are representatives of Guinness Peat Group (the parent company of GPG). Mr Eisen and Mr Jefferies do not consider it appropriate to make any recommendation in relation to the revised GPG offer price given their association with GPG.

For further information, please contact:
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