



4 July 2006

## ASX/SFE ANNOUNCEMENT

### Calculation of Cash and Share Alternative

On 27 March 2006, SFE Corporation Limited ("SFE") and Australian Stock Exchange Limited ("ASX") announced the terms for the proposed merger of their businesses via a scheme of arrangement.

Details of the Merger were provided in an Explanatory Memorandum dated 29 May 2006, which was mailed to all shareholders on the register at that date. A meeting of SFE shareholders to consider the Merger will be held on 5 July 2006 at the Shangri-La Hotel, Cumberland Street, The Rocks, Sydney at 11:00am ("Scheme Meeting").

Under the terms of the Merger, SFE shareholders can elect to receive either:

- 0.51 fully paid ASX shares per SFE share ("Share Alternative"); or
- \$2.58 cash per SFE share plus a variable ratio of fully paid ASX shares for the parcel of SFE shares held by an SFE shareholder at 7.00pm on 18 July 2006, such that the alternatives deliver equivalent value based on the VWAP<sup>1</sup> of ASX shares over the five business days ending on 3 July 2006 ("Cash and Share Alternative").

Shareholders who do not make an election will be deemed to have elected to receive the Share Alternative.

ASX shares traded at a VWAP of \$32.319 during that period. Accordingly, SFE shareholders electing to receive the Cash and Share Alternative will receive:

**\$2.58 cash plus 0.43 ASX shares** for each SFE share.

|   | Based on the VWAP of ASX shares over the 5 business days to 3 July 2006 |
|---|---|
| Implied value of Cash and Share Alternative | \$16.48   |
| Implied value of Share Alternative          | \$16.48   |

<sup>1</sup> **VWAP** (volume weighted average price) means the ratio of the total value of shares traded to the total volume of shares traded over the period

SFE shareholders should be aware that share prices are subject to fluctuation. Movements in the ASX share price between 3 July and the Implementation Date of 25 July will alter the value of the consideration under both the Share Alternative and the Cash and Share Alternative, both in absolute terms and relative to each other. For example:

|   | Based on the closing price of ASX shares on 3 July 2006 (\$32.65) |
|---|---|
| Implied value of Cash and Share Alternative as at 3 July 2006 | \$16.62   |
| Implied value of Share Alternative as at 3 July 2006          | \$16.65   |

SFE shareholders can elect to receive the Share Alternative or the Cash and Share Alternative by returning to Computershare Investor Services Pty Limited a completed election Form (which was enclosed with the Explanatory Memorandum) by no later than 7.00pm AEST on 18 July 2006. Shareholders not returning an Election Form will be deemed to have elected to receive the Share Alternative for all of their SFE shares.

If SFE shareholders have any questions about the election of scheme consideration or any matter concerning the Merger they can call the SFE information Line on 1300 790 637 (within Australia) or +613 9415 4127 (outside Australia), or can contact SFE at the following email address: [investorrelations@sfe.com.au](mailto:investorrelations@sfe.com.au). Alternatively, they can contact their financial, legal, taxation or other professional advisor.

**Malcolm Starr**  
**General Counsel and**  
**Company Secretary**

**SFE Corporation Limited**

**Anthony D'Arcy**  
**General Counsel**

**Australian Stock Exchange Limited**