

**REG-EAG Limited Statement re change of recomm**

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EAG Limited

08 August 2008

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EAG Limited

("EAG" or the "Company")

Recommendation of offer by SVTC Technologies, LLC

On 18 July 2008, EAG, Inc. ("EAGI"), a company formed at the direction of Odyssey Investment Partners Fund III, LP ("Odyssey") announced an offer to acquire the entire issued and to be issued share capital of EAG (the "EAGI Offer") for 110 pence per EAG Share in cash. The EAGI Offer was the result of an extensive, competitive process which had been run by the Company as part of its ongoing strategic review. The EAGI Offer was therefore announced with the recommendation of the Independent Directors of EAG.

On 30 July 2008, SVTC Technologies, LLC ("SVTC") announced a cash offer to be made by SVTCA, LLC ("SVTC Bidco"), a wholly owned subsidiary of SVTC, for all of the issued and to be issued share capital of EAG at a price of 120 pence per EAG Share (the "SVTC Bidco Offer"). The SVTC Bidco Offer, which would be made by the despatch by SVTC Bidco of a formal offer document containing the full terms of the SVTC Bidco Offer (the "SVTC Bidco Offer Document") to EAG shareholders, values the existing issued share capital of EAG at approximately 80.1 million and represents a 10 pence per EAG Share premium to the EAGI Offer.

Subsequent to the announcement of the SVTC Bidco Offer, on 1 August 2008, the Company announced that if the Independent Directors of EAG were to withdraw or adversely modify for whatever reason the terms of their recommendation for the EAGI Offer or agree or resolve to recommend a competing offer, such as the SVTC Bidco Offer, an inducement fee of 800,000 would become payable to Odyssey within five business days. The announcement further noted that as any offer for EAG is not governed by the City Code on Takeovers and Mergers (the "Code") the shareholders of EAG do not enjoy the protections usually afforded by the Code. The Independent Directors of EAG believe that the protection afforded by the

Code is particularly relevant in respect of the period between announcement of an intent to make an offer and the posting of the formal offer document. While both SVTC and Odyssey have undertaken to comply in all material respects with the Code, insofar as this is reasonably practicable and subject to certain exceptions, both parties have reserved the right, however, to cease to comply with the Code in certain circumstances, such as in a competitive situation. The Independent Directors committed to continue to monitor the situation in the best interests of EAG shareholders.

On 7 August 2008, SVTC Bidco announced that it was despatching the SVTC Bidco Offer Document, and the accompanying form of acceptance, to EAG shareholders on 7 August 2008. The Independent Directors of EAG and its advisers have reviewed the terms and conditions of the SVTC Bidco Offer set out in the SVTC Bidco Offer Document and have concluded that the terms are no more onerous than the terms and conditions of the EAGI Offer, and in particular do not contain any condition relating to financing.

Accordingly, following the posting of the formal offer document in relation to the SVTC Bidco Offer, and in view of the premium which the SVTC Bidco Offer represents to the EAGI Offer, the Independent Directors of EAG, who have been so advised by Lazard and Numis, consider the terms of the SVTC Bidco Offer to be fair and reasonable and recommend it to EAG shareholders. In providing advice to the Independent Directors of EAG, Lazard and Numis have taken into account the commercial assessments of the Independent Directors of EAG.

Accordingly, the Independent Directors of EAG have withdrawn their recommendation in respect to the EAGI Offer and unanimously recommend that EAG shareholders accept the SVTC Bidco Offer.

Under the terms of an exclusivity and inducement fee agreement entered into between EAG and Odyssey on 2 July 2008, were the Independent Directors of EAG to withdraw or adversely modify for whatever reason the terms of their recommendation for the EAGI Offer or agree or resolve to recommend a competing offer, such as the SVTC Bidco Offer, an inducement fee of 800,000 would become payable to Odyssey within five business days. In light of the withdrawal of the recommendation of the EAGI Offer, this inducement fee has now become payable to Odyssey.

No new inducement fee arrangement has been entered into with SVTC Bidco.

A letter from the Independent Directors of EAG setting out, inter alia, the reasons why the Independent Directors of EAG are recommending EAG Shareholders to accept the SVTC Bidco Offer will be despatched to EAG Shareholders shortly.

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Lazard, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for EAG and no one else in connection with the Offer and will not be responsible to anyone other than EAG for providing the protections afforded to its clients or for providing advice in connection with the Offer or in connection with the matters described in this announcement or any transaction or arrangement referred to herein.

Numis, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for EAG and no one else in connection with the Offer and will not be responsible to anyone other than EAG for providing the protections afforded to its clients or for providing advice in connection with the Offer or in connection with the matters described in this announcement or any transaction or arrangement referred to herein.

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