



SUMMIT RESOURCES LIMITED

ASX and Media release

Tuesday March 20, 2007

Conference Call at 2:30pm (EDST) – Dial-in Details at the end of this release

Summit reaffirms advice to REJECT Paladin takeover offer

Summit Resources today released its Target's Statement, reaffirming the board's advice that Paladin's opportunistic all-scrip hostile offer does not reflect the unrealised potential of Summit's uranium, base metal and iron ore projects and extensive tenement holdings in Queensland.

Summit Resources Managing Director Alan Eggers warned shareholders against accepting Paladin's inadequate and opportunistic takeover offer.

"Paladin now recognises the unrealised potential of Summit's assets which are located in one of the most prospective uranium provinces in the world today," he said.

"Paladin Managing Director John Borshoff's comment yesterday that Summit has a 'uranium province in the making' confirms our belief that Paladin is attempting to capture value for Paladin shareholders that will otherwise flow to Summit shareholders."

"Paladin's desire to secure any shares it can via this inadequate offer is reflected in the fact that it has taken the unusual step of making its offer unconditional.

"The Summit board believes it is likely Paladin will fail to get control in this first attempt and will have to return with a higher offer at some point in the future."

Summit also believes Paladin needs to get control of Summit because the Valhalla and Skäl deposits are currently "stranded". In its second supplementary Bidder's Statement released to the ASX yesterday, Paladin states:

"While [Paladin] recognises the potential within the Mt Isa region and the existing identified uranium assets, Paladin believes that if it controls the development process it will be able to add value to its existing share of Valhalla/Skal assets and to Summit's other uranium assets."

As noted in the Target's Statement released today (see section 2.4) Summit controls the development of the Valhalla and Skäl deposits because they are contained within 100 per cent Summit owned tenements.

The development of Valhalla and Skäl cannot take place on a stand-alone basis because access to Summit ground will be required for mine infrastructure. Without control of Summit, Paladin faces the potential of having to accept a "toll treating" arrangement in relation to its share of ore from the Valhalla and Skäl deposits.

"The benefits that Paladin stands to gain from this offer are not adequately reflected in the price that Paladin is offering," Mr Eggers said.

"That is why we are continuing to urge all of our shareholders to reject Paladin's offer."

Mr Eggers also rejected Paladin's assertion that its offer was "fair and reasonable" and that an expert's report was required so that shareholders can have a view that is free from the *"real or perceived biases of both the bidder and the target"*.

"The Summit board is not biased, it is motivated by the sole objective of protecting and enhancing the interests of our shareholders," Mr Eggers said.

"Paladin is obviously very biased because it is motivated to achieve the best result for its shareholders – not ours."

Mr Eggers noted that there is no obligation on Summit directors to obtain an independent expert's report and there are many examples of hostile takeover offers where the board of the target company has not seen the need for an independent expert's report.

"Summit's experienced board and management is best placed to determine the value of Summit's extensive tenements and uranium interests given our extensive work on the Mount Isa Uranium Project over the last 17 years," Mr Eggers said.

A conference call will be held at 2.30pm (EDST) today to discuss the Target's Statement. Dial-in details are set out below.

Contact
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Cato Counsel
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Conference call details for analysts and media :

Please dial in to the number below, listen to the automated voice prompt and then key in the pin followed by the #key.

2:30pm **EDST**
12:30pm **Western Australia**
 Tuesday 20 March 2007

Dial in: **1800 650101**
PIN is: **6418366**