



Regent Pacific Group Limited

Stock Code: 0575.HK

(Incorporated in the Cayman Islands with Limited Liability)

20 January 2011

PRESS RELEASE

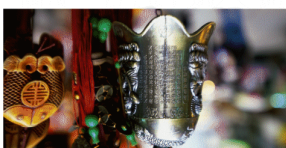
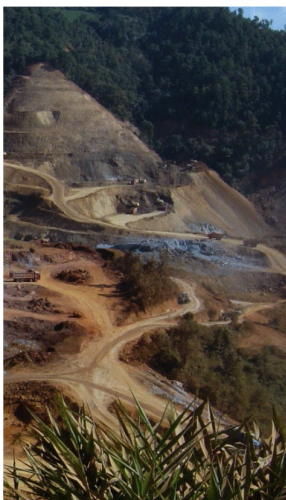
Regent Pacific to Enter Australia with a Transformational Transaction

Recommended All-cash Offer to Acquire ASX-listed BC Iron Limited at A\$3.30 per Share

20 January, 2011 – HONG KONG, Regent Pacific Group Limited (“Regent Pacific” or the “Group”, stock code: 575), a holding and investment company engaged in the exploration and mining of natural resources, today announces a cash offer to acquire all the issued share capital in BC Iron Limited (“BCI”) shares and options that it does not already own.

Summary:

- A\$3.30 cash offer per share values BCI’s undiluted share capital at A\$305.5 million (US\$306.3 million)
- Offer unanimously recommended by BCI’s board, in the absence of a superior offer and subject to an independent expert concluding that it is in the best interest of BCI’s shareholders
- Acquisition financed from cash reserves and a fully underwritten loan facility
- BCI’s key asset is a 50% stake in the operational Nullagine Iron Ore Joint Venture:
 - High-quality, low phosphorous Pilbara Direct Ship iron ore
 - Mine life of eight and half years
 - Production target of 5Mtpa iron ore by 2013
 - Resource base of 101.6Mt iron ore with an average grade of 54%
 - Reserve base of 35.6Mt iron ore with an average grade of 57% with potential to increase this reserve with additional exploration
 - Cash operating costs of A\$43/t life of mine, excluding State government royalties, marketing fees, and Aboriginal royalties





The offer will proceed via an Australian Scheme of Arrangement (the “Scheme”), and is subject to the usual legal, shareholder, and regulatory approvals. Under the proposed Scheme, BCI shareholders will receive A\$3.30 in cash for each BCI share.

The cash value of the offer represents attractive premia of:

- 43.5% to the price at which BCI recently conducted a share placement
- 29.7% to the 60 day volume-weighted average price of BCI shares on ASX
- 18.5% to the 30 day volume-weighted average price of BCI shares on ASX
- 4.1% to the closing price of BCI shares on ASX on 18 January 2011

Commenting on the transaction, Jamie Gibson, Chief Executive Officer of Regent Pacific:

“This is a very important step in our diversification, where we are reinvesting the profits we made from our previous China based copper and coal investments into Pilbara iron ore assets from which we expect to generate immediate cashflow. We have been a long-term shareholder and supporter in BCI and have developed a solid understanding of its operations, management and future potential.”

We are delighted to be in a position to make an attractive all cash offer to BCI shareholders, which crystallises the recent gains in the BCI share price for BCI shareholders and provides a substantial additional premium. The board of BCI is unanimously recommending this offer.

We intend to continue to work with the management and staff of BCI and at all current operations. We fully support BCI’s existing strategy and the strong working relationship that it enjoys with Fortescue, such that it will be business as usual. Longer term, we will seek to utilise Regent Pacific’s in house project management and development skills to grow the business in exciting new directions and continue to maximise shareholder value.

Acquiring BCI is an opportunity for Regent Pacific to establish a wholly-owned operating subsidiary in the Pilbara, one of the world’s leading iron ore regions. The proposed transaction is a key element in the company’s strategy to expand its footprint and increase its diversification across geographies and mineral types.”

Mike Young, Managing Director of BCI said:

“Regent Pacific has been strong supporters of BCI from their initial investment in June 2009. They have a very strong management and technical team with whom we have worked closely during the due diligence. The executive management team has a clear strategy for growth which is line with our team’s goals and our project provides a springboard for their plans.”

For our shareholders, this is an opportunity to crystallise a considerable return over a relatively short period of time. From 2006 when we were a one person company with an iron prospect, we have now developed into an iron ore producer, delivering on our plan. With record iron ore prices and a record share price, the Board of BCI is supporting this offer subject to no superior proposal and an independent expert concluding that it is in shareholders’ best interest”



Board recommendations and shareholder support

The BCI board of directors has unanimously recommended all BCI shareholders to vote in favour of the Scheme, in the absence of a superior proposal, and subject to an independent expert concluding that the proposal is in the best interests of BCI shareholders. Each BCI director intends to vote in favour of the Scheme in respect of any BCI shares they hold.

Importantly, none of BCI's material contracts, including its joint venture with Fortescue Metals Group and associated infrastructure arrangements, nor iron ore sales agreements, will be affected by the change of control of BCI resulting from implementation of the Scheme.

Regent Pacific Group currently controls 19.9% of the issued share capital in BCI, and has been a substantial shareholder in BCI since June 2009.

The Transaction is expected to be completed in the first half of 2011, subject to various customary conditions, including:

- foreign investment approval from the Australian Federal Treasurer;
- all required court approvals and approvals by BCI shareholders by the requisite majorities under the Corporations Act; and
- approval by Regent Pacific's shareholders in accordance with the HK Listing Rules and Regent Pacific's constitutive documents

General

Please refer to Regent Pacific's detailed announcement, to be found at www.hkexnews.hk or www.regentpac.com, for more details about the acquisition, the SIA and the conditions to the offer. The Circular containing, among other things, further details of the Transaction, and notice of EGM, will be despatched to the Regent Pacific shareholders as soon as practicable.

Standard Chartered Bank is acting as the financial advisor to Regent Pacific on this transaction.

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About Regent Pacific Group Limited

Regent Pacific is a limited liability company incorporated under the laws of the Cayman Islands whose Shares are listed on the Hong Kong Stock Exchange and are also traded on the OTC market (Freiverkehr) of the Frankfurt Stock Exchange. Regent Pacific operates as a diversified mining group focused, primarily, on the Asian region. Its principal assets are located in Yunnan Province and Inner Mongolia, China.

About BC Iron Limited

BCI is an emerging iron ore producer focused on Western Australia’s world-class Pilbara region. BCI’s main project is a 50/50 joint venture with Fortescue Metals Group in the Nullagine Iron Ore Joint Venture project. The venture is forecast to produce 35.6 Mt over an 8.5 year period at a saleable, high-quality 57% iron ore grade. Further, BCI has potential upside for mine expansion and an extended mine life, with a significant 101.6 Mt resource estimate and surrounding iron ore outcrops.

Overview of BCI operations

