

Mediaportal Report

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▶ **AAP Finance News in Brief, Friday, February 12**

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IFSA SYDNEY, Feb 8 AAP - Investment and Financial Services Association (IFSA) has appointed managing director of Goldman Sachs JBWere Asset Management Ian Ward-Ambler to its board.

▶ **Galaxy shipping contract**

Esperance Express, 12/02/10, General News, Page 3
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A FIVE-YEAR contract to ship Galaxy Resource's spodumene concentrate from Esperance to China has been awarded to Hong Kong-based company Pacific Basin Shipping Limited. Galaxy Resources managing director Mr Iggy Tan said the contract provides a fixed price arrangement from Esperance to Zhangjiagang Port, Jiangsu Province in China.



AAP Finance News in Brief, Friday, February 12

IFSA

SYDNEY, Feb 8 AAP - Investment and Financial Services Association (IFSA) has appointed managing director of Goldman Sachs JBWere Asset Management Ian Ward-Ambler to its board.

Mr Ward-Ambler replaces Anne O'Donnell, former managing Director of Australian Ethical Investment Ltd, who has resigned.

IFSA chief executive John Brogden welcomed Mr Ward-Ambler's appointment and thanked Ms O'Donnell for her service on the board.

AAP lxs/klm

WESTERN AREAS NL

MELBOURNE, Feb 8 AAP - Nickel producer Western Areas NL is tipping a turnaround in fortunes in its first half, after making a loss in the corresponding period a year earlier.

The Perth-based company expects a net profit of \$10.7 million in six months to December 31, compared to a loss of \$12.3 million in the same period in 2008.

The before tax profit for the period is likely to be \$16.9 million compared to a loss of \$16.3 million a year earlier.

Production during in the period is expected to be up nearly 38 per cent at 5,874 tonnes of concentrate.

In a statement, Western Areas said its December 2009 interim earnings were up due to increased sales at a better price, and access fees collected.

Gross revenue will likely be \$107.3 million, up from \$44.4 million in the same period of 2008.

Last week the company said its production for calendar 2009 was up on the previous year.

Western Areas said its dividend policy remained as 50 per cent of net profit.

AAP xlc/lk

DORAY MINERALS LTD

PERTH, Feb 8 AAP - Gold explorer Doray Minerals Ltd made a negative debut on the Australian stock exchange, closing down 0.5 cents from its debut price.

Shares in Doray Minerals closed at 19.5 cents, down from its opening price of 20 cents per share after 255,000 shares changed hands.

The company had raised \$4.65 million through its initial public offer of 23.28 million shares at 20 cents each.

Doray said in a statement on Monday it would use the proceeds of the offer for continued exploration of its tenements in Western Australia's Murchison region and Central Gawler area of South Australia.

AAP rlm/klm/jmc

WESTFIELD

SYDNEY, Feb 8 AAP - US Banking giant JP Morgan will take up half of an office tower Westfield Group is building at 85 Castlereagh St in Sydney.

JP Morgan will occupy 16,700 square metres of the 25-storey 32,800 square metre office tower, which is a part of the Westfield Sydney City project, centred around Sydney Tower.

"We're delighted that JP Morgan, one of the world's leading banks, is establishing its Australian headquarters at our Sydney City project," Westfield managing director Steven Lowy said in a statement on Monday.

"Their presence will add significant prestige to what will already be a world-class destination."

JP Morgan's building will be one of three office blocks in the development.

"This is an exciting development in our firm's local history which reflects our aggressive growth strategy for the future, the momentum in the franchise and the strength of our brand and client relationships," JP Morgan chief executive for Australia and New Zealand Rob Priestly said.

The Australian Securities and Investments Commission will anchor one of the other office buildings.

The completed development, which will cost \$1.2 billion, will have 171,000 square metres of lettable area for retail, tourism and commercial use.

AAP dlm/lk

AUROX RESOURCES LTD

PERTH, Feb 8 AAP - China's MCC Overseas Ltd has struck a deal with Aurox Resources Ltd that promises to shave \$233 million from the junior explorer's Balla Balla project development costs.

Aurox has signed a binding agreement with MCC for the provision of engineering, procurement and construction (EPC) services, and financing assistance for the first two phases of the \$2 billion iron ore, vanadium and titanium project in Western Australia.

MCC, China's leading mining engineering services provider, has provided Aurox with a proposal that could have the project developed for \$1.76 billion.

Under the deal, MCC must procure finance to be eligible to provide the EPC services.

Aurox said in a statement on Monday that a Chinese banking institution had provided it with a "formal

indication of interest".

"Aurox has already begun a process to secure equity financing for the development of the Balla Balla project," Aurox said.

MCC has acquired stakes in CITIC Pacific's massive Sino Iron project in WA and most recently Clive Palmer's Resourcehouse, which is developing the multi-billion-dollar China First project in Queensland. Shares in Aurox closed 1.5 cents, or 4.62 per cent, weaker at 31 cents.

AAP rlm/jmc

BORAL LTD

SYDNEY, Feb 8 AAP - Building products maker Boral Ltd has appointed senior Adelaide Brighton Ltd executive Andrew Poulter as chief financial officer.

Mr Poulter will finalise Adelaide Brighton's financial report for the year to December 31 before joining Boral on May 1.

He replaces Ken Barton, who is to become Crown Ltd's chief financial officer in March.

Adelaide Brighton general manager of strategy and business development Michael Kelly will replace Mr Poulter.

Mr Poulter joined cement and lime supplier Adelaide Brighton in 2003 and prior to that held senior financial roles with other construction companies including Lafarge and Blue Circle Cement in the United Kingdom.

Boral chief executive Mark Selway thanked Mr Barton for his contribution over the past nine years, and welcomed Mr Poulter.

"Andrew is an accomplished CFO with considerable knowledge and experience in the sectors in which Boral operates," Mr Selway said in a statement.

"He is known to the financial market and has an industry skill set to help me develop the future road map for Boral."

AAP dmc/jmc

WESFARMERS LTD

PERTH, Feb 8 AAP - Wesfarmers Ltd has established a management committee to ensure co-ordination between retail divisions Kmart and Target on strategic issues and other matters.

The diversified conglomerate said in a statement on Monday the committee would be chaired by Target managing director Launa Inman and included Kmart managing director Guy Russo and Wesfarmers finance director Terry Bowen.

Wesfarmers also announced the appointment of commercial lawyer Paul Meadows as group general counsel as part of an organisational restructure.

The restructure will have Mr Bowen take responsibility for industrial divisions CSBP, Wesfarmers Energy, and Wesfarmers Industrial and Safety.

Wesfarmers non-executive director Patricia Cross has resigned from the board following the appointment of Mr Meadows, who is her spouse, effective from the end of March.

A replacement for Mrs Cross will be announced soon.

AAP rlm/jmc

CLOUGH LTD

SYDNEY, Feb 9 AAP - Engineering and construction company Clough Ltd has formed a joint venture with subsea intervention and construction contractor Helix Energy Solutions Group.

Clough says its partnership with the Houston-based company will provide a range of subsea services to offshore operators in the Asia Pacific region.

"Services provided by the Clough Helix JV will include subsea well intervention and well abandonment, light construction work, saturation and air diving and subsea inspection, repair and maintenance services," Clough said in a statement to the Australian stock exchange on Tuesday.

No figures were given but Clough said the establishment of the Clough Helix Joint Venture would not have a material impact on earnings for the current financial year.

AAP lk

BECTON PROPERTY GROUP LTD

SYDNEY, Feb 9 AAP - Becton Property Group Ltd expects to report another loss for the first half of its financial year.

Becton on Tuesday predicted a net loss in a range of \$17 million to \$20 million for the half year ended December 31, after writedowns.

While still a loss, it would be an improvement on the \$63.4 million net loss reported in the previous corresponding half year.

Becton also said its 2009/10 net operating profit was likely to be between \$2 million and \$5 million.

Becton will release its first half results on February 26.

AAP

CHALLENGER DIVERSIFIED PROPERTY GROUP

SYDNEY, Feb 9 AAP - Challenger Diversified Property Group has posted a first half net loss of \$13.7



million after property writedowns and revaluations.

But the group, which has interests in office, industrial and retail properties, says it has strengthened its balance sheet and is poised for growth.

Challenger's loss for the six months to December 31 was less than the \$58.58 million loss attributable to members it recorded in the first half of 2008/09.

The group's first half 2009/10 operating profit, which excludes gains or losses on some revaluations, was up 23 per cent, mainly due to lower financing costs.

In a presentation posted with the stock exchange on Tuesday, Challenger said it would explore growth opportunities in acquisitions, in its development pipeline and in recycling to enhance returns from existing portfolio.

The group will continue to focus on property asset management and proactive leasing, it said.

Challenger confirmed a first half distribution of 2.05 cents per unit.

Earnings guidance for the full financial year was reaffirmed at 5.2 cents per unit and 4.2 cents per unit distribution.

AAP lk

GE CAPITAL

MELBOURNE, Feb 9 AAP - GE Capital has appointed Skander Malcolm as chief executive for Australia and New Zealand to replace Steve Sargent who has been promoted to chief of Asia Pacific operations.

Mr Malcolm is GE Australia and New Zealand managing director of retailer solutions in charge of providing finance to retail partners including Harvey Norman, Coles Group and Myer Holdings Ltd.

He has over 18 years of experience in the financial services industry including seven years with GE, the company said in a statement on Tuesday.

Mr Sargent's promotion was announced last November and he will retain his role as head of all of GE operations in Australasia.

Mr Malcolm will report to Mr Sargent.

Mr Sargent said on Tuesday that Mr Malcolm would lead GE Capital's growth plans to provide formidable competition to local banks.

"In a very challenging 2008 and 2009, he led our retailer solutions team to double-digit growth, despite difficult market conditions," Mr Sargent said.

Mr Malcolm joined GE in 2003 and had been in his current role since 2007.

His previous roles were with Household International in the US and UK, and Westpac Banking Corporation.

AAP ahb/jmc

FPA

MELBOURNE, Feb 10 AAP - Chief executive of the Financial Planning Association of Australia (FPA) Jo-Anne Bloch has resigned.

The financial planning industry's lobby group said Ms Bloch would leave her post at Easter to take up another senior position in the financial services sector.

FPA chair Julie Berry said Ms Bloch had led the organisation through one of its most difficult and significant periods of change that included a transition away from commission-based advice for financial planners.

The FPA board has started to search for Ms Bloch's replacement.

AAP ahb/lk

WOODSIDE PETROLEUM LTD

PERTH, Feb 10 AAP - Woodside Petroleum Ltd has awarded key design contracts for its \$30 billion Browse liquefied natural gas (LNG) project in Western Australia's Kimberley region.

The contracts come a day after the project's joint venture partners BHP Billiton Ltd, BP, Chevron, Shell and Japan Australia LNG agreed upon James Price Point, 60km north of Broome, as the site for an LNG processing hub.

Dual contracts for the basis of design have been awarded to Bechtel Oil, Gas and Chemical Inc, Bechtel Australia Pty Ltd and Kellogg Brown & Root Pty Ltd for the onshore component, Woodside said in a statement.

Contracts for the offshore components have been awarded to a joint venture comprising Queensland-based WorleyParsons Services Pty Ltd and Select Granherne for the facilities scope, and to JP Kenny Pty Ltd for the subsea and pipelines scope.

The basis of design phase will be followed by front end engineering and design in 2011, and a final investment decision in mid-2012.

AAP rlm/klm

BOND RESULT

SYDNEY, Feb 10 AAP - The Australian Office of Financial Management (AOFM) sold \$500 million in Treasury bonds at tender on Wednesday.

The bonds have a coupon rate of 5.75 per cent.

 back

The total of \$500 million in notes maturing on May 15, 2021, went at an average weighted yield of 5.5744 per cent.

Accepted bids ranged from 5.570 per cent to 5.575 per cent, with 88 per cent of bids at the top of the range allocated.

The coverage ratio - the ratio of bids received to the value of notes offered - was 3.79.

The total value of the 46 bids received was \$1.893 billion. Seven bids were successful, two of which were allocated in full.

The Reserve Bank of Australia did not take up any of the offer, the AOFM said.

Settlement date of the bonds is Monday, February 15.

AAP el/pe

TOWER AUSTRALIA GROUP LTD

MELBOURNE, Feb 10 AAP - Tower Australia Group Ltd said it is eyeing merger and acquisition opportunities but will only buy assets at the right price.

Chairman Rob Thomas told shareholders that Tower, Australia's fourth largest life insurer, will "take a careful and close look at all merger and acquisition opportunities" in the sector.

"But we are not prepared to buy assets that do not deliver strategic and valuable returns to shareholders," he said on Wednesday at the company's annual meeting in Sydney.

Mr Thomas said Tower almost stands alone in a market where most of its competitors' life insurance units are treated as secondary businesses to their wealth management operations.

AAP ahb/lk

AXA ACCC

SYDNEY, Feb 10 AAP - The competition watchdog hopes to make decisions next month on two separate takeover offers for AXA Asia Pacific Holdings Ltd but wants more information on competition issues first.

The Australian Competition and Consumer Commission (ACCC) on Wednesday issued a statement of issues on the separate proposals by AMP Ltd and National Australia Bank Ltd for AXA Asia Pacific Holdings.

"The statement of issues seeks further information on certain competition issues identified with respect to each of the proposals which have arisen from the ACCC's market inquiries," the ACCC said in a statement.

Under both AMP and NAB's bids, AXA SA would acquire AXA APH's Asian assets, while the partner in the takeover would take the Australian and New Zealand businesses.

The ACCC invites further submissions to the Statement of Issues by 26 February and hopes to make final decisions on both proposed acquisitions by 17 March.

The ACCC said a final decision on NAB's proposed acquisition of AXA may take longer than its decision on AMP's proposed acquisition of AXA because it was made later.

AAP lk

EASTERN CORPORATION LTD

PERTH, Feb 10 AAP - Eastern Corporation Ltd has moved to mop up the shares in Galilee Energy Ltd that it does not already own to bring the companies' Queensland coal seam gas assets under one management team.

Galilee is unlisted and is 68 per cent owned by Eastern.

Eastern has offered one of its shares for every nine Galilee shares held, which values Galilee at 3.1 cents per share based on Eastern's closing share price of 27.5 cents on Tuesday.

Shares in Eastern closed 1.5 cents, or 5.45 per cent, higher at 29 cents on Wednesday.

"The offer to acquire the remaining shares of Galilee is in line with Eastern's desire to simplify the ownership structure of its coal seam gas assets in Australia," Eastern said in a statement on Wednesday.

"It will effectively merge Eastern and Galilee and result in a single board and management team."

Galilee's assets include an equal joint venture with AGL Energy Ltd near Longreach in Central Queensland.

AAP rlm/jmc

BUNNINGS WAREHOUSE PROPERTY TRUST

SYDNEY, Feb 10 AAP - Bunnings Warehouse Property Trust (BWP) has reported an 11 per cent increase in first half income to \$39 million and says it has the debt capacity to fund growth.

The trust, which focuses on bulky goods retailing properties, in particular Bunnings Warehouses, said on Wednesday the increase for the six months to December 31 was due mainly to rent reviews and growth of the property portfolio during the period compared with the first half of 2008.

Distributable profit of \$25.3 million for the six months was up 23.4 per cent on the previous corresponding period.

However, the distribution of 6.1 cents per ordinary unit was down nine per cent on the previous corresponding period due to the increase in the number of issued units.

AAP jmc



Foster's Group Ltd
MELBOURNE, Feb 11 AAP - Global beverages firm Foster's Group Ltd and Grupo Modelo, brewer of Mexico's export beer Corona Extra, have extended an exclusive licence for Foster's to sell and market Corona Extra in Australia.
Foster's said Corona Extra was Australia's number one premium imported beer and the seventh largest beer brand by value in the Australian market.

AAP tsc/lk
NOTE RESULT

SYDNEY, Feb 11 AAP - The Australian Office of Financial Management (AOFM) sold \$900 million in short-dated Treasury notes at tender on Thursday.

The notes were sold in two tranches.

The first tranche of \$600 million in notes, maturing on May 7, 2010, brought an average weighted issue yield of 3.7949 per cent.

Accepted bids ranged from 3.750 per cent to 3.860 per cent, with 17 per cent of bids at the top of the range allocated.

The coverage ratio - the ratio of bids received to the value of notes offered - was 4.81.

The total value of the 19 bids received was \$2.888 billion.

Of 19 bids received, eight bids were successful, seven of them allocated in full.

The second tranche of notes, \$300 million maturing on June 11, 2010, brought an average weighted issue yield of 3.8197 per cent.

Accepted bids ranged from 3.790 per cent to 3.900 per cent, with 40 per cent of bids at the top of the range allocated.

The coverage ratio was 5.80.

The total value of bids received was \$1.740 billion.

Of 19 bids, six were successful, five of them allocated in full.

The Reserve Bank of Australia took up none of the offers, the AOFM said.

Settlement date is Friday, February 12.

AAP el/pe

STUART PETROLEUM LTD

SYDNEY, Feb 11 AAP - The Australian government has approved the sale by Stuart Petroleum Ltd of its 50 per cent interest in a Timor Sea exploration permit to PTTEP Australasia.

The sale, which will deliver \$10 million in net proceeds, was approved by the Foreign Investment Review Board, Stuart Petroleum said in a statement on Thursday.

The company will have about \$3 million cash in the bank after the sale is settled.

PTTEP Australasia is part of the Thailand-based oil firm PTT.

AAP

DECMIL GROUP LTD

PERTH, Feb 11 AAP - Design, civil engineering and construction firm Decmil Group Ltd has reported half year net profit of \$9 million, up from \$540,000 in the previous corresponding period.

Revenues for the six months to December 31 rose by 20 per cent to \$149.2 million, largely on the back of contract wins and extensions.

"The company continued to experience strong levels of business activity in its core areas of business - accommodation villages, civil works and non-process infrastructure - and this is expected to continue," Decmil said.

It expects second-half revenues and earnings will be similar to those of the first half.

AAP rlm/jmc

FORTESCUE METALS GROUP LTD

PERTH, Feb 11 AAP - One of Fortescue Metals Group Ltd's founding directors and key spokesmen, Graeme Rowley, has stepped down from the iron ore miner's management team.

Mr Rowley will retire as an executive director from March 2 but will continue as a non-executive director.

"Mr Rowley, who along with Mr Andrew Forrest is Fortescue's longest-serving executive, has been instrumental in guiding the creation of the company from an idea in 2003 to what is now an entity capitalised at over \$14 billion," the company said in a statement on Thursday.

AAP rlm/jmc

PLATINUM CAPITAL LTD

SYDNEY, Feb 25 AAP - Platinum Capital Ltd, the equity fund managed by Platinum Asset Management Ltd, has more than doubled first half profit as global equities recovered during 2009.

Net profit rose to \$16.09 million for the six months to December 31, up 116 per cent from \$7.84 million in the prior corresponding period, Sydney-based Platinum said in a statement after the share market closed on Thursday.

Investment income rose 48 per cent to \$24.63 million.

Platinum said a more appropriate measure of its results was the change in net asset value.

The fund said in a statement on February 5 that its net asset value after tax was \$1.365 per share, equivalent to a 13.8 per cent appreciation over the preceding 12 months. That compared to the 0.76 per cent appreciation in the Morgan Stanley Capital International index over the same period.

Platinum Capital declared a first half dividend of five cents a share, the same as a year earlier.

Shares in Platinum Capital slipped one cent to close at \$1.555 on Thursday.

AAP dlm/jmc

GALAXY RESOURCES LTD

PERTH, Feb 11 AAP - Shares in lithium miner Galaxy Resources Ltd rose after it achieved final key milestones for the development of its lithium carbonate plant in China's Jiangsu Province.

Galaxy shares were up 11 cents, or 9.73 per cent, at \$1.24 at 1324 AEDT.

The Perth-based company said in a statement on Thursday the plant had been given the green light by the Jiangsu Province Administration Bureau for Industry and Commerce.

Galaxy managing director Iggy Tan said the plant would be commissioned during the fourth quarter of 2010.

Construction will begin in April, he said.

Galaxy officially opened its Mt Cattlin mine near Ravensthorpe in Western Australia's south in November last year.

AAP rlm/klm

SUNLAND GROUP LTD

PERTH, Feb 11 AAP - Property developer Sunland Group Ltd has rejected a media report that it misled the Australian Securities Exchange (ASX) on three separate occasions.

A Fairfax report on Wednesday claimed Sunland had misled the ASX three times by stating that it and its senior executive had never been investigated in connection with the fraud prosecution of two Australians in Dubai.

"At no stage have the accused, Mr Matt Joyce or Marcus Lee, been employed by Sunland, either in Australia or overseas," Sunland said in a statement on Thursday.

Sunland has vowed to take legal action against the media group "to defend its position and protect its reputation".

"Sunland also confirms that it has commenced legal proceedings in Australia against Mr Joyce, Mr Angus Reed, Prudentia, Hanley Investment for (amongst other things) misleading and deceptive conduct," it said.

AAP rlm/jmc/de

MOUNT GIBSON IRON LTD

PERTH, Feb 11 AAP - Mount Gibson Iron Ltd shares rose after the miner revealed a sharp jump in first half net profit due to the recovery of the Chinese iron ore market.

Shares in Mount Gibson closed 13 cents, or 9.29 per cent, higher at \$1.53.

Net profit for the six months to December was \$39.4 million, up from \$13.3 million for the same period in 2008.

"The corresponding period last (financial) year was one of the most difficult for Mount Gibson with the company impacted by a number of factors beyond our control," managing director Luke Tonkin said.

"This included the failure of some customers to honour their long-term iron ore agreements, the severe downturn in commodity demand and the resulting financial crisis."

AAP rlm/jmc

BOND RESULT

SYDNEY, Feb 12 AAP - The Australian Office of Financial Management (AOFM) sold \$700 million in Treasury bonds at tender on Friday.

The bonds have a coupon rate of 6.50 per cent.

The total of \$700 million in bonds maturing on May 15, 2013, went at an average weighted yield of 4.9100 per cent.

Accepted bids ranged from 4.910 per cent to 4.910 per cent, with 73 per cent of bids at the top of the range allocated.

The coverage ratio - the ratio of bids received to the value of notes offered - was 5.37.

The total value of the 46 bids received was \$3.760 billion. Ten bids were successful but none were allocated in full.

The Reserve Bank of Australia did not take up any of the offer, the AOFM said.

Settlement date of the bonds is Wednesday, February 17.

AAP el/pe

WESTPAC

MELBOURNE, Feb 12 AAP - Westpac Banking Corporation has received Treasurer Wayne Swan's approval to form a single authorised deposit-taking institution (ADI) with subsidiary St George Bank.

Westpac became Australia's second biggest bank by formerly acquiring St George on December 1, 2008



for \$15 billion.

Regulators gave approval for the acquisition on the condition that Westpac moved to a single ADI.

By moving to a single ADI, Westpac will assume all the assets and liabilities of St George, and all regulatory and prudential reporting by the two will be merged into Westpac's reports.

The transition still requires approval by the Australian Prudential Regulation Authority and the Federal Court to deregister St George as a corporate entity, Westpac said in a statement on Friday.

Assuming these approvals are received, Westpac and St George will become a single ADI on March 1, 2010.

AAP ahb/lk

BONDS

SYDNEY, Feb 12 AAP - The funding arm of the federal government will next week issue more than \$1 billion worth of a new three-year bond line.

The Australian Office of Financial Management will hold a tender for \$1.25 billion of the November 2012 bonds, with the Reserve Bank of Australia to take up \$50 million of the issue.

The deal size will give the new line ready liquidity in the market for Commonwealth government debt.

"The new bond line will permit short-dated Treasury bond issuance to be spread across a large number of bond lines, which will facilitate the cash management task associated with the refinancing of bond lines at the time of their maturity," the AOFM said in a statement on Friday.

The AOFM is also due to issue a new 2022 bond line in the final quarter of 2009/10.

Total Treasury bond issuance for this financial year is expected to be around \$50 billion.

The 2012 bonds will be sold on Friday, February 19.

AAP

EMECO HOLDINGS LTD

PERTH, Feb 12 AAP - Heavy earthmoving equipment firm Emeco Holdings Ltd will exit its European business and shrink its US presence, which will be consolidated with its Canadian business under a restructure.

The company also provided full year net profit guidance of between \$40 million and \$44 million pre-significant items.

It expects an operating net profit for the six months to December of about \$13.5 million.

"The operating environment in the first half has been challenging but we are seeing strong signs of recovery in our market," chief executive Keith Gordon said.

"Although a number of new mining projects that will provide revenue for Emeco have incurred short term delays, momentum has been building towards the end of the half."

The company said "further work is underway on the future strategic direction for Emeco".

Shares in Emeco closed 5.5 cents, or 8.21 per cent, higher at 72.5 cents.

AAP rlm/klm

NEWCREST TUNGSTEN

PERTH, Feb 12 AAP - Newcrest Mining Ltd is considering bringing in a partner for the O'Callaghans tungsten deposit near its flagship Telfer gold mine in Western Australia.

"We've got a large tungsten deposit that we're quite confident will be easy to mine," chief executive Ian Smith told journalists on Friday after the miner posted a solid rise in first half net profit.

"If some metallurgical test work comes in as positively as first indications would suggest, we will pursue how we go about working this deposit in a way that maybe another partner can get involved to take the tungsten from O'Callaghans off our hands.

"I don't think we see ourselves as people who want to participate fully in the marketing of tungsten."

Mr Smith said 80 per cent of the global tungsten market was controlled by China.

"They basically control the market and describe it as a strategic metal.

"Strategically, O'Callaghans is fairly important."

He said tungsten prices looked set to rise given that access to it has been restricted.

AAP rlm/jmc



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General News

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Galaxy shipping contract

A FIVE-YEAR contract to ship Galaxy Resource's spodumene concentrate from Esperance to China has been awarded to Hong Kong-based company Pacific Basin Shipping Limited.

Galaxy Resources managing director Mr Iggy Tan said the contract provides a fixed price arrangement from Esperance to Zhangjiagang Port, Jiangsu Province in China.

Pacific Basin is one of the world's leading owners and operators of modern handysize and handymax dry bulk vessels, operating a large, uniform fleet of geared bulk carriers with sizes ranging from 25,000 to 60,000 deadweight tonnes.