

**HD MARKET HIGHER AT MIDDAY LED UP BY THE BANKS**

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The S&P/ASX200 rose 27.8 points to 5448.1 points on lightish volume worth \$1.7 **billion**. There were 501 issues higher and 315 down.

The SPI Futures is up 31 points to 5438 on 12,396 contracts. Aussie 10 year bond yields are up 2 points to 3.975. The \$A is at 93.78US c, about in line with early levels.

The banks have contributed 10.1 positive points to the index, insurers have contributed 0.2 positive points, resources have contributed 0.4 positive points, **property** trusts have contributed 0.3 positive points, retailers have contributed 4 positive points and Telstra has contributed 0.5 positive points.

\*The Nikkei Dow futures is down 40 points to 14,380 points, Shanghai CSI physical is down 3.69 points to 2101.43, Hang Seng futures is up 55 points to 22,751 points. S&P futures is down 2.9 points to 1859.90, Nasdaq futures is down 4 point to 3497.5 points. Dow futures is down 33 points to 16,298 points.

**Gold** futures was down \$2.30 to \$1301.20. Crude futures was up 33 c to \$104.09.

"Support is now at 5390, next level of resistance 5435 .. I'll call us up 15"

Ben Faulkner, a senior adviser with Morgans said, "Nasdaq closed right on its highs last night which is very encouraging. It has broken through the resistance level at 4055. It is still in downtrend from its high back on the 7th of March, but if it can break back and close above 4135 over the coming week it's potentially going to be short term neutral. Its good to see the 4000 level hold after being tested for the last 3 days.

"**Copper** looks like it was potentially a false break yesterday but we need to see it above \$3.05/lb and finish there for the week. Support is at \$3, resistance is at \$3.05.

\***Gold** entered a short term uptrend this week but yesterday's move and last night's move confirmed a break down. It has broken through the 20 day moving average and is technically heading back towards the previous support of \$1280, then \$1250.

\*The S&P 500 closed on its highs, breaking back above the 1860 level which was resistance, and also where the 20 day moving average was sitting with a strong close. It is back in the range where it was all through late February and March. The picture there is neutral at the moment. Any break out through 1875 and we will see 1890 tested again.

\*Our market had a very strong day yesterday, closing pretty much on its highs.

We also broke back above the 20 day moving average and are not far from resistance at 5424. The next strong test is 5450. We are also back in the uptrend channel.

"If the US can hold we look to test the next level of 5435, then 5450 and can head back to 5500 if 5450 is broken. Support is now at 5390.

"For the day given we had a strong day yesterday, some of last night's overseas move has been factored in. I'll call us up 15 points'.

The S&P/ASX200 closed up 32.1 points to 5420.3 last evening.

#### THE WEEK AHEAD

Apr 21: Easter Monday holiday in Australia, much of Europe, working day in US. US leading ind.

Apr 22: US FHFA Hous price ind, exist home sales. Euro flash consum est.

Apr 23: Aussie CPI. RMD 3rd qtr. Ex div: RIC ex 1.5c. **China** flash HSBC/Markit PMI Manufacturing (Apr), index. US MBA Mort Ind, New Home Sales, Crude inv. Euro, German flash Manufacturing PMI (Apr), index, flash composite index. UK BOE minutes, public borrowing.

Apr 24: Ex div: CUP ex 3c; BOQ ex 32c. Options close off. US jobless, dur goods orders. German IFO, import prices.

Apr 25: Anzac day holiday. Japan CPI. US Mich Sent, final. UK Retail Sales

#### ECO NEWS

The ABS reported sales of new motor vehicles, australia, mar 2014

#### TOTAL NEW MOTOR VEHICLE SALES

Trend estimates: The March 2014 trend estimate (92 699) has decreased by 0.5% when compared with February 2014.

Seasonally adjusted estimates: The March 2014 seasonally adjusted estimate (92 168) has decreased by 0.3% when compared with February 2014.

#### SALES BY TYPE OF VEHICLE

Trend estimates: When comparing national trend estimates for March 2014 with February 2014, sales of Other and Passenger vehicles decreased by 0.9% and 0.8% respectively. Over the same period, Sports utility vehicles increased by 0.2%.

Seasonally adjusted estimates: When comparing seasonally adjusted estimates for March 2014 with February 2014, sales of Passenger and Other vehicles decreased by 3.2% and 0.9% respectively. Over the same period, sales of Sports utility vehicles increased by 4.9%.

#### SALES BY STATE

Trend estimates: Seven of the eight states and territories experienced a decrease in new motor vehicle sales when comparing March 2014 with February 2014. Tasmania recorded the largest percentage decrease (2.6%), followed by Victoria (1.0%) and the Australian Capital Territory (0.7%). Over the same period, South Australia was the only jurisdiction to record an increase of 0.3%.

Seasonally adjusted estimates: Six of the eight states and territories experienced a decrease in new motor vehicle sales when comparing March 2014 with February 2014. The Northern Territory recorded the largest percentage decrease (3.0%) followed by Tasmania (2.7%) and the Australian Capital Territory (2.1%)

The ABC reported International Merchandise Imports, Australia, Mar 2014

#### ORIGINAL ESTIMATES

In original terms, March 2014 imports on an international merchandise trade basis were \$19,756m, a fall of \$398m (2%) on the revised February 2014 merchandise imports of \$20,154m.

#### PRELIMINARY BALANCE OF PAYMENTS GOODS IMPORTS

Preliminary analysis shows that goods debits (imports) on a balance of payments basis in original terms rose \$1,142m (6%) between February and March 2014.

In seasonally adjusted terms, goods debits rose \$16m between February and March 2014 to \$22,436m. Intermediate and other merchandise goods rose \$225m (2%). Capital goods fell \$119m (2%), consumption goods fell \$48m (1%) and non-monetary **gold** fell \$41m (12%).

## REVISIONS

Revisions have been made to the previous six months to incorporate the latest administrative data relating to international merchandise trade.

The preliminary balance of payments debits estimates incorporate the latest available data.

## TOP STOCKS

\*Challenger Financial is up 17.5c to \$6.62.5 on 1.2m shares, also report below.

\*Xero is up 91c to \$26.40 on 25,858 shares.

Among the financials, AMP is up 1c to \$5.17 on 3.4m shares, ANZ is up 21.5c to \$33.86.5 on 1.9m shares, CBA has gained 37c to \$77.52 on 999,032 shares, NAB is up 17c to \$35.35 on 1.8m shares, Westpac is up 27c to \$34.86 on 2.59m shares.

Among the TMT's Telstra is up 1c to \$5.11 on 9.6m shares, Telecom NZ is down 2c to \$2.41 on 1.2m shares, SingTel is steady at \$3.17 on 157,692 shares.

Among the resources BHP is up 6c to \$38 on 2.36m shares, RIO is up 16c to \$63.53 on 693,392 shares. Fortescue is down 5c to \$5.34 on 13.2m shares, Atlas is down a half cent to 98c on 3.5m shares, BCI is down 5.5c to \$4.73.5 on 147,813 shares, AWC is up 1.5c to \$1.36.5 on 10.6m shares.

Among the oils, Woodside is up 35c to \$39.94 on 656,777 shares, also quarterly report below. Santos is down 2c to \$13.42 on 2.5m shares, also quarterly below. **Oil** Search is up 9c to \$8.73 on 1.6m shares.

Among the golds, Newcrst is down 12c to 410.20 on 1.3m shares, Perseus is up .2c to 37.7c on 2.1m shares, also report below. Regis is down 6c to \$2.36 on 1m shares, also quarterly still to be entered apologies. Alacer is down 7c to \$2.63 on 157,189 shares.

## AT THE SMALLER END

\*Genesis **Energy** is trading at \$1.67.5 on 8.3m shares after its listing today in a gala debut following a float price of \$NZ1.55 a share.

\*Japara is trading at \$2.55 on 13.8m shares after its listing today in a gala debut following a float price at \$2.

\*Select Harvests is down 19c to \$6.16 on 150,000 shares, also report below.

\*TFS Corp is up 9c to \$1.64 on 333,595 shares.

## NEW LISTING

Genesis **Energy** Ltd (GNE) has listed following an issue of shares at \$NZ1.55 a share with the Crown retaining 51%.

Genesis **Energy** owns and operates a diverse and flexible portfolio of generation assets located in both the North and South Islands producing approximately 17% of NZ's electricity in 2013.

Genesis also has a 31% interest in the Kupe j/v that owns and operates the Kupe **oil** and gas field, an integral part of its **business**. Kupe gas is used to fuel electricity generation at the Huntly Power Station and to supply its natural gas and growing LPG retail activities.

From NZ Herald and other sources:

The Genesis **Energy** public share offer has been heavily scaled back, with a cap of \$NZ5000 worth of shares set on general applications, the Government said.

Due to demand in the general offer, the broker **firm** offer was reduced by 20 %, with these shares re-allocated to the general offer.

Genesis will be 88% NZ owned. The Government will retain a 51% shareholding, NZ retail investors will hold 26.7%, NZ institutions have 10%, offshore institutions 12% and others will hold 0.3%. More than 68,000 retail investors were allocated shares. The **sale** of 49 % of Genesis has raised \$733 **million** for the Future Investment Fund, bringing the total proceeds from the share offer programme to \$4.7 **billion**.

**Board** of Directors

Rt Hon Dame Jenny Shipley

Chairman of the **Board**

DNZM

Dame Jenny Shipley has been Chairman of Genesis **Energy** since November 2009. She is the Chairman of the **Company**'s steady at Nominations Committee and is also a member of the **Company**'s steady at Audit and Risk Committee and Human Resources and Remuneration Committee. Dame Jenny is Chairman of Momentum Holdings Limited, Seniors Money International Limited and the Financial Services Council of New Zealand. Dame Jenny is also a director of Trans-Tasman Resources Limited and recently retired, having completed a six-year term, as a director on the **Hong Kong** and Shanghai-listed **China** Construction Bank.

Dame Jenny was Prime Minister of New Zealand from 1997 to 1999 and in the preceding seven years she was a Minister in the New Zealand Government and responsible for various portfolios including Minister for State Owned Enterprises. In both roles she was involved in the split of ECNZ and the sell-down of the shares in Contact **Energy** Limited. Dame Jenny is a member of the Canterbury Earthquake Recovery Authority review panel, Chair of Global Women NZ, Co-Chair of Women Corporate Directors, Vice-President of the Club of Madrid and a member of the World Women's steady at Leadership Council.

Dame Jenny is a former director of Mainzeal **Property** and Construction Limited (resigned 31 December 2012), its parent **company** Mainzeal **Group** Limited (resigned 5 February 2013) and a number of their associated companies. Mainzeal **Property** and Construction Limited, Mainzeal **Group** Limited and a number of their associated companies were placed in receivership and/or liquidation in February 2013.

Joanna Perry

Deputy Chairman of the **Board**

MNZM, MA Econ (Cantab), FCA

Joanna Perry joined the Genesis **Energy board** in May 2007 and was appointed Deputy Chairman in May 2009. She is Chairman of the Audit and Risk Committee and a member of the Nominations Committee.

Joanna is a professional director whose current governance appointments include Trade Me **Group** Limited, Partners **Group** Holdings Limited, Kiwi **Property** Management Limited, The Co-operative Bank Limited, Tainui **Group** Holdings Limited, Rowing New Zealand and Sport and Recreation New Zealand.

She is Chairman of the Investment Advisory Panel of the Primary Growth Partnership.

Joanna will be a member of the IFRS Interpretations Committee until 31 March 2014 and will assume Chairmanship of the IFRS Advisory Council from 1 April 2014.

She was previously a partner in the international accountancy and consultancy **firm** KPMG (17 years), a member, then Chairman, of the New Zealand Financial Reporting Standards **Board** (11 years) and a member of the Securities Commission (11 years).

Andrew Clements

BCom

Andrew Clements, known as Clem, was appointed to the Genesis **Energy board** in July 2012 and chairs the **Company**'s Human Resources and Remuneration Committee. Clem is an investor and professional director. He is Chairman of Orion Corporation Limited and currently Chairman of New Zealand Assets Management Limited and Amadeus Asset Administration Limited from which he will retire on 28 March 2014. Clem is a director of NZX-listed Ryman Healthcare Limited. He is also the Chairman of the New Zealand Football Foundation. He was previously director of Emerald Capital Limited, a Canadian-owned investment **company**, until 2008. Prior experience includes nine years with Goodman Fielder Wattie in various financial and general management positions in New Zealand and Asia, following corporate money market and foreign exchange positions in New Zealand and London. Clem will retire as a director of Genesis **Energy** at the 2014 Annual Meeting and will not be standing for re-election.

John Dell

BCom (Hons), CA

John Dell was appointed to the Genesis **Energy board** in May 2010 and is a member of the **Company**'s Audit and Risk Committee and Human Resources and Remuneration Committee. John is a professional

director, with current appointments including Higgins **Group** Holdings Limited, Viridian Glass GP Limited and Unimarket Holdings Limited. He has experience in executive finance and strategic management having previously held executive positions as Chief Financial Officer and Chief Executive Officer of Tenon Limited (formerly Fletcher Challenge Forests Limited) and as Chief Financial Officer of Air New Zealand Limited. While acting in his capacity as Chief Financial Officer of Air New Zealand Limited, John served as a director of several subsidiaries in the Ansett New Zealand **Group**. The Ansett New Zealand **Group** went into liquidation in 2001. Prior to his corporate roles, John worked for KPMG.

John Leuchars

ME, BCA, FIPENZ

John Leuchars joined the Genesis **Energy board** in July 2012 and is a member of the **Company's** Audit and Risk Committee. He is a professional **company** director. John was a consulting engineer who held director and managing director positions in international consulting engineering companies for 30 years. These included managing director of Connell Wagner (NZ) Limited (now Aurecon) and of Connell Mott MacDonald, London. He has experience in a broad range of industries including the design of power generation projects in a hands on design role or at a governance level. John is currently a director of KiwiRail Holdings Limited.

Graeme Milne

ONZM, BTech (Biotech) Hons

Graeme Milne was appointed to the Genesis **Energy board** in May 2009 and is a member of the **Company's** Nominations Committee.

He is a professional director and is the Chairman of a number of New Zealand-based entities, including Synlait **Milk** Limited, New Zealand Pharmaceuticals Limited, John's Disease Research Limited, TerraCare Fertilisers Limited, Rimanui Farms Limited and Pacific T&R Limited, and holds directorships in the New Zealand Institute for Rare Disease Research Limited, Alliance **Group** Limited and FMG Insurance.

Graeme was a director of NZX-listed distribution **company** Horizon **Energy** Distribution Limited for seven years prior to joining the **board** of Genesis **Energy**.

Genesis **Energy** Share Offer PROSPECTUS 43

Rukumoana Schaafhausen

LLB

Rukumoana Schaafhausen was appointed to the Genesis **Energy board** in May 2010 and is a member of the **Company's** Audit and Risk Committee. She serves as a director and executive member on a number of boards including Regional Facilities Auckland Limited, Te Waharoa Investments Limited and Waikato-Tainui Te Kauhanganui Incorporated (the Trustee of the Waikato Raupatu Lands Trust and Waikato Raupatu River Trust). Rukumoana chairs Te Kauhanganui Incorporated's **Group** Audit and Risk Committee.

She has practised as a lawyer for a number of years in the areas of governance and **property** and previously worked as **Group** Counsel for a large-scale **property** development **company**. Rukumoana is of Waikato-Tainui descent.

Japara Healthcare Ltd (JHC) lists following an issue of 225.2 **million** shares at \$2 each. Chairman Linda Bardo Nicholls AO in the covering letter to the prospectus said Japara is an Australian **residential** aged care operator, commencing **business** in 2005 with 3,131 places across 35 facilities, located principally in Victoria and also in New South Wales, South Australia and Tasmania with 35 facilities, 32 owned by Japara and 3 leased.

Japara has a reputation for and a strong history of providing high quality healthcare to residents, a strong operating performance, sustainable cash flows supported by a high proportion of Government funded revenue and a 100% accreditation history over the past 5 years. The **company** has above average industry occupancy levels of approximately 95%, a well diversified portfolio of aged care assets, predominantly owned by Japara, an accommodation bond management policy and a quality management team.

Total full year 2013 government care funding revenue was \$1657.219 **million** with total 2013 pro forma revenue of \$229.89 **million**.

The **company**'s dividend policy is to pay out up to 100% of NPAT, with an indicative dividend yield of 5.4% supported by Japara's strong cash flow profile.

The **company** forecasts NPAT of \$23.3 **million** in 2014 and \$27.7 **million** in 2015, eps of 8.9c in 2014 and 10.5c in 2015.

Directors:

Linda Bardo Nicholls AO, Non-Executive Chairman

Linda is a senior executive and **company** director with more than 30 years' experience across Australia, New Zealand and the United States. Presently, Linda is the chairman of Yarra Trams and has directorships with Fairfax Media, Medibank Private, Pacific Brands **Group** and Sigma Pharmaceutical **Group**.

Previously, she has held the position of chairman at some of Australia's most well regarded companies, including Healthscope and Australia Post, and was a director of St. George Bank.

she also holds directorships with low carbon australia and the walter and eliza hall institute of medical research.

Linda holds a Masters of **Business** Administration from Harvard **Business** School and a Bachelor of Arts in Economics from Cornell University.

Andrew Sudholz, CEO

Andrew is a founding shareholder and executive director of Japara Holdings.

Andrew has more than 30 years' experience in the real **estate**, healthcare and professional services industries.

Prior to the establishment of Japara Holdings, Andrew was a global partner of the Arthur Andersen **Group**, a national partner of Ernst & Young's Real **Estate** Advisory Services **Group** and the state general manager of the Triden Corporation.

He is also a fellow of the Australian **Property** Institute, a responsible executive under the Australian Financial Services Licensing regime, a former president of the Victorian division and national **board** member of the **Property** Council of Australia and is currently a member of the Australian Institute of **Company** Directors.

Andrew holds an Associate Diploma of Valuations from the Royal Melbourne Institution of Technology.

Richard England, non exec director

Richard has more than 18 years' experience as a non-executive director and Chairman of multiple ASX listed and unlisted companies across the financial services, banking, healthcare and insurance industries.

Richard is currently the chairman of Chandler Macleod **Group** and of Ruralco Holdings and is a non-executive director of Nanosonics and Macquarie Atlas Roads.

Prior to embarking on his career as a director, Richard was a Chartered Accountant in Public Practice and a partner at Ernst & Young, where he was the national director of Corporate Recovery and Insolvency.

He is a councillor of the Royal Sydney Botanic Gardens Foundation and is deputy chairman of Indigenous Art Code, the **company** administering the Indigenous Australian Art **Commercial** Code of Conduct.

Richard is a fellow of the Institute of Chartered Accountants in Australia, is a qualified Chartered Accountant and a member of the Australian Institute of **Company** Directors.

Tim Poole, Non-Executive Director

Tim has more than 15 years' experience as a director and chairman of ASX listed and unlisted companies across the financial services, infrastructure and natural resources industries.

He is currently a non-executive director of Newcrest **Mining**, McMillan Shakespeare and AustralianSuper, chairman of Lifestyle Communities and a director of several private unlisted companies. He was formerly managing director of Hastings Funds Management and chairman of Asciano.

Tim holds a Bachelor of Commerce from the University of Melbourne and is a Chartered Accountant.

David Blight, Non-Executive Director



David has more than 30 years' experience in the real **estate** industry, across all major global markets and **property** sectors.

Most recently, he was the **group** managing director of APN **Property Group** and has formerly held various positions concurrently with ING, including global chairman and chief executive officer of ING Real **Estate** Investment Management and vice chairman of ING Real **Estate** (based in The Netherlands).

Prior to that, David held senior executive positions with Armstrong Jones and Mirvac across Australia and New Zealand.

David holds a Bachelor of Applied Science in **Property** Resource Management (Valuation) from the University of South Australia and is a **Board** member of APREA (Australian Chapter).

CFO: John McKenna is the Chief Financial Officer of Japara and has more than

30 years' experience in financial services and related sectors. He has held numerous senior finance roles in banking and finance, including **lead** roles in various change management programs. Prior to joining Japara, John was an executive director and chief operating officer of Burdett Buckeridge Young, a stockbroking and corporate advisory **company**, where he headed their finance and compliance divisions. He formerly held senior finance roles with the National Australia Bank **Group** including head of finance (of the global **business** segment) and financial controller of the UK branch.

John has a Bachelor of Commerce degree from the University of Melbourne, is a qualified Chartered Accountant and has a Post Graduate Diploma in Applied Finance with the Securities Institute of Australia.

#### NEWS OF THE DAY

Wishing all our Dear Readers a safe, happy and peaceful holiday

#### LARGE CAP INDUSTRIALS

\*ASL: Moody's lowers Ausdrill ratings, outlook stable

Ausdrill Ltd advised Moody's Investors Services has revised its credit rating downwards, the corporate family rating has been lowered to Ba3 from Ba2. \$US300 **million** of senior unsecured notes rating of Ausdrill Finance Pty Ltd was lowered to B1 from Ba3. The outlook on both these ratings is stable. (Apr 16)

\*BKW: General meeting called by PPT/Carnegie adjourned to Sep 5

Brickworks Ltd advised it has agreed with Perpetual/Carnegie to again postpone the adjourned general meeting of shareholders. The meeting will now be held on September 5 2014.

\*CGF: Challenger/Access Capital to **merge** to form Whitehelm Capital

Challenger Ltd and Access Capital advisers announced they will **merge** their infrastructure investment **operations** from July 1 2014 to create a new boutique infrastructure **business** called Whitehelm Capital.

Whitehelm will have \$4 **billion** under management and 48 employees in London, Sydney, Singapore and Canberra. Whitehelm director designate and Challenger executive Phil Peters said Whitehelm's aim is to become a leading manager of core infrastructure assets like regulated utilities, toll roads and airports. It will be capable of sourcing, structuring and arranging investments across the capital structure in Australia, Asia, Europe, North America and South America.

The merger is wholly scrip based with Graham Matthews and ACA's Tom Snow remaining fully invested in the combined **business**, each retaining a 23% **stake**. Twenty four percent of Whitehelm's shares will be owned by other senior managers, bringing the total staff shareholding to 70%. Challenger's Fidante Partners boutique funds management **business** will hold the remaining 30% and will provide marketing and distribution services to the new **firm**.

Egon Zehnder has commenced a global search for the **firm**'s CEO.

\*NAB: Anthony Healy to become MD and CEO of Bank of NZ

National Australia Bank Ltd announced Anthony Healy has been appointed managing director and CEO of Bank of New Zealand.

NAB **Group** CEO Cameron Clyne said in the report for more than four years Anthony has led BNZ's **business** bank, BNZ Partners and during this time he has shown exceptional leadership and **commercial** acumen.

BNZ Chairman and NAB Director John Waller congratulated Mr Healy on his appointment. He will replace Andrew Thorburn who will replace Cameron Clyne as CEO in August 2014.

\*SYD: Sydney Airport Ltd announced for the March quarter total traffic performance was 3.146 million passengers in domestic, international and Domestic-On Carriage categories, down 0.1% on the previous corresponding period while year to date numbers at 9.481million passengers is up 2.4% on the previous corresponding period.

CEO Kerrie Mather said in the report with Easter and school holiday demand falling in April this year rather than March, monthly performance relative to the pcg was distorted.

International traffic continues to be partly driven by strong Chinese passenger growth, increasing 17.8% over the first quarter and 14.9% over the past 12 months. Malaysian passengers increased 23% underpinned by additional daily frequencies from Air Asia X and Malaysia Airlines.

The large inbound markets of US and UK passengers increased 6% and 5.3% respectively.

Australian outbound passengers were down 3.5% for the month due to the timing of Easter, but were up 3.4% over the rolling 12 months.

#### LARGE CAP RESOURCES

\*PRU: Resumes operations within 7 days of fire at Edikan gold mine

Perseus Mining Ltd advised ore processing operations resumed at its Edikan Gold Mine in Ghana at approximately 5 pm GMT on April 16, seven days after a fire occurred in the cyclone nest of the plant while undergoing routine maintenance.

Managing director Jeff Quartermaine said that the mine was able to resume operations within seven days is a real credit to all involved.

\*SFR: March qtr Cu/Au prod to be maintained in Jun qtr /\$90 mln cash

Sandfire Resources Ltd in its March quarter highlights said production was 18,098 tonnes of copper and 10,935 oz gold produced at C1 cash cost of \$US1.08 billion.

A 1.5Mtpa underground mining rate was maintained, development of C1 and C4/5 declines are on schedule.

Copper recoveries were 91% with further recovery optimisation initiatives underway.

For the year to date 50,036 tonnes of copper and 25,605 ozs of gold have been produced.

Guidance: June quarter results are expected to be in line with the March quarter.

On the exploration front, the high grade mineral resource was increased to over 29,000 tonnes Cu and 41,000 ozs Au net of mining depletion.

Resource definition of the eastern portion of Conductor 4 is underway.

Drilling targeting Conductor 5 and Conductor 1 extensions is planned for the 2nd half of calendar 2014.

Technical programs are progressing as part of the new regional farm in j/v with Ventnor Resources (Thaduna/Green Dragon) and Talisman Mining (Springfield).

On the corporate and financial front, key financing completion test was satisfied as part of the original \$380 million facility. The debt facility repayment of \$40 million reduced the facility balance to \$190 million.

The company had \$90 million in cash and \$16 million in receivables at end March.

It acquired 37% of TSX-V listed WCB resources during the quarter, a Tier-1 porphyry opportunity.

\*STO: Qtr prod up, revenue up, outlook positive

Santos managing director and CEO David Knox said the first quarter of 2014 saw the company build momentum for strong project delivery in the year ahead.

First quarter production of 12.2 million barrels of oil equivalent (mmboe) was up on 12.1 mmboe for the previous corresponding period (pcp) while sales revenue of \$13 million for the March quarter was up 28% on the pcg mainly due to higher third party crude oil sales.



Gas production for the quarter at 8.7 Mmboe was 4% lower than the pcg with higher production from Darwin LNG and the Cooper Basin offset by lower production from the Carnarvon Basin due to lower customer demand. The average gas price of \$5.66/GJ for the March quarter was 4% higher than the pcg.

Quarterly crude **oil** production of 2.5 **million** barrels was 15% lower than the previous quarter with higher production from Chim Sao offset by lower production from Fletcher Finucane and the Cooper Basin. The average **oil** price was 13% higher at \$A128 per barrel.

The PNG LNG project is progressing ahead of schedule with first LNG cargo expected for the middle of this year. The project is currently over 95% complete with first production of condensate from the Hides fields commencing in late March.

He said the GLNG is on budget and on track for first LNG in 2015. The project is now 80% complete, all train 1 modules have been delivered to Curtis **Island**, all mainline pipeline is in the ground, the marine crossing tunnel is complete and the pipeline has been installed.

During the quarter Santos also delivered the Peluang project in Indonesia ahead of schedule and on budget. Santos' other Asian project, the Dua **oil** project in Vietnam is progressing well and remains on track for first **oil** in mid 2014.

Guidance: Santos maintained its guidance for full-year production at 52 **million** to 57 **million** barrels of **oil** equivalent.

\*WPL: Sales revenue up 15.95, prod slightly lower for qtr/updates projects

Woodside Petroleum Ltd for the period ended March 31 in highlights included sales revenue up 15.9% to \$US1.675 **billion** vs the previous corresponding period (pcg). Two new sales and **purchase** agreements with Korea Gas and Chubu Electric for volumes primarily sourced from Pluto LNG.

Four new exploration blocks were awarded in Myanmar. Pluto loaded its 100th LNG cargo since the start of LNG production in April 2012.

Production for the quarter was down 0.9% on the previous quarter at 23Mmboe vs 23.2 Mmboe for the previous corresponding period (pcg)

Production volumes were 0.9% lower than the previous quarter mainly due to lower LNG volumes produced at Pluto, partially offset by increased **oil** volumes predominantly due to a full quarter of Vincent production.

Revenue was 1.6% higher broadly reflecting the higher sales volumes.

Browse LNG: Woodside has commenced development of the Environmental Impact Statement, expected to be available for public review and comment in 2nd half 2014.

On March 12 WPL withdrew from the Browse LNG Precinct Regional Benefits Agreement.

Woodside expects a Final Investment Decision on the Persephone project on the North West Shelf planned for the 2nd half 2014. Persephone is the next major gas development for the North West Shelf Project and involves a subsea tieback to the North Rankin Complex.

The \$A2.5 **billion** Greater Western Flank Phase 1 project remains on budget and on schedule for start up in early 2016.

On the international front, the Leviathan MOU definitive agreements have not yet been executed. Discussions continue with the parties and the Israeli Government.

Woodside remains committed to developing Greater Sunrise in the Timor Sea once government alignment on the Timor Sea Treaty is achieved.

During the quarter Woodside signed a 3 year Sole Proponent Agreement to undertake feasibility studies for a potential LNG development.

Woodside has been successful in bidding for four blocks in the Myanmar Government's 2013 Offshore Bid Round.

In Ireland Woodside was awarded three licences by the Petroleum Affairs Division, completing the process of converting WPL's License Options in Ireland to Frontier Exploration Licences.

In Peru Woodside increased its **equity** in Block 108 of the j/v with Reliance Exploration and Production DMCC to 35%, the remaining 15% of Reliance's participating interest was acquired by j/v participant and operator Pluspetrol E&P SA.

Corporate:

During the quarter WPL signed two **sale** and **purchase** agreements with Korea Gas and Chubu Electric. In addition a SPA for three years and up to six cargoes was executed with Kansai Electric in March 2014.

#### MID TO SMALL INDUSTRIALS

\*DSH: 4th qtr sales rose 1% in 4th qtr, like for like sales fell less/outlook positive

Dick Smith Holdings Ltd announced further improvement in underlying sales performance in the 4th quarter 2013 with **group** like for like sales growing 1% and achieving total sales of \$280.1 **million**. On a constant currency basis like for like sales declined 1.8%, a 6.7% point improvement from the 2nd quarter 2014 performance.

Managing director and CEO Nick Aboud said the **group's** focus on its core growth strategies has enabled the **business** to achieve sales growth in the quarter. The growth is consistent with expectations and is expected to continue in to the 4th quarter 2014 in the region of 3% consistent with prospectus pro forma sales forecast.

\*JCS: Raises \$2.5 mln, announced HOA to **acquire** cloud telecom mgt co

Jcurve Solutions announced it has raised \$2.5 **million** in an oversubscribed share placement to fund rapid growth plans. The **company** also announced it has entered into a non binding Heads of Agreement to **acquire** 100% of the issued capital of cloud telecoms management **company** The Full Circle **Group**.

Jcurve has enjoyed a substantial increase in the acceptance and adoption of its product offering in the SME cloud accounting and ERP space.

Managing director Graham Baillie said in the report the **company** has huge potential for the small **business** market with a quality product offering designed for small **business** that enables simple and easy transition to a fully featured software system.

\*NWH: Sub contract from Samsung at Roy Hill worth \$200m over 12 mths

NRW Holdings Ltd announced the award of a contract by Samsung C& T Corporation for construction of the Package One Works at Roy Hill. The proposed scope of works includes Concrete and detailed Earthworks for the Processing Plant, Stockyard, Overland conveyors and Crushing areas.

The works have a scheduled duration of 12 months with manning on **site** expected to peak at 660 personnel. The contract has an approximate value of \$200 **million**.

\*SHV: To vigorously defend dispute with Almas Almonds in Vic Supreme Court

Select Harvests Ltd advised following its announcement of February 28 that it was in dispute with Almas Almonds relating to the provision by SHV to Almas Almonds of orchard management services commencing 2006. Almas Almonds has now commenced legal proceedings against Select Harvests in the Supreme Court of Victoria.

Almas Almonds claims Select Harvest failed in its duties most particularly with regard to the installation of an irrigation system when the orchards were established in 2006, and damage to trees in the process of harvesting almonds.

Almas Almonds claims damages of approximately \$9 **million** of which \$8.26 **million** relates to claimed loss of future income for the period 2014 to 2029.

Select Harvests denies any liability and intends to vigorously defend.

The initial directions hearing has been scheduled for May 16.

#### MID TO SMALL RESOURCES

\*CDB: Signs definitive agreement for 4 South African hard coking **coal** projects

Condor Blanco Mines Ltd announced it has signed the definitive agreement for the **acquisition** of the South African Hard Coking **Coal** Projects: The Duel, Mopane and Universal Annex. The terms will now be put forward for shareholder approval.

Progress in obtaining Euro 10 **million** in debt funding is now in its final stage.

The agreements have been signed and the loan funds will be available in April. Condor will apply the funds to develop its Marianas Magnetite Tailings Project in Chile through to production and begin the drill out and feasibility work at The Duel.

\*ZER: Update on progress at Ilgarari, other

Zeta Resources Ltd in its quarterly report said through its wholly owned subsidiary Kumarina Resources Pty Ltd at the Ilgarari **copper** project in the Gascoyne region of Western Australia, pre collar drilling has been completed in preparation for three diamond drill holes. Diamond drilling has commenced and will take upto 3 weeks to complete the planned holes.

The **company** is considering its options with regard to the potential development of the Malcolm Challenger deposit in the Murrin Murrin Cu/Au project.

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