

SE Business
HD **Revealed: Oakajee's mystery backers Padbury's white knight**

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The mystery financiers behind Padbury Mining's \$6.5 billion bid to resurrect the Oakajee project were behind last year's failed \$US640 million offer to tiddler Fairstar Resources.

On a day in which Padbury Mining suspended share trading and the Australian Shareholders Association called for an official investigation into last week's frenzied share trading, Premier Colin Barnett yesterday added to the drama by pouring cold water on the company's Mid West plans.

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Padbury said it would not be in a position to tell investors the identity of the mystery investors offering to pitch in to build the Oakajee port and rail project until Thursday.

Padbury suspended share trading to push back the deadline to reveal details of its agreement and managing director Gary Stokes, who is in Korea negotiating with engineering and procurement contractors over the Oakajee bid, would not comment on the identities of its partners.

WestBusiness understands the mystery backers were behind an aborted "company-making" deal with Fairstar to develop the Steeple Hill iron ore project near Kalgoorlie. It is believed the parties behind the deal are associated with one-time Fairstar white knight Alliance Super Holdings.

Fairstar said it walked away from the deal this year after finding a better offer. At the time, a spokesman for Alliance said Fairstar had breached a shareholder agreement to deposit its 20 per cent of the project's funding requirements into the bank account of a joint venture subsidiary and Alliance had walked.

It is unclear whether Alliance is directly offering the Padbury funding package but it is understood the offer will be made by a member of the complex web of companies that surround it.

Those are understood to include Alliance parent Superkate Pty Ltd and the Hayman Corporation private equity group associated with one-time Australian hair-regrowth king Roland Frank Bleyer.

Mr Barnett said he had had no dealings with Padbury and he expected China's CITIC Pacific to emerge as the major backer of Oakajee through a deal with Japan's Mitsubishi Corporation.

Mr Stokes, a former Department of Industry and Resources deputy director-general who in 2012 was found guilty of disclosing official secrets after he leaked government information to former premier Brian Burke, told WestBusiness that he was unaware of Mr Barnett's comments.

"At the end of the day, a premier says what a premier needs to say," Mr Stokes said. "We're pushing ahead to get something happening in the Mid West. At the end of the day, most of the miners just want someone to build it."

Padbury admitted yesterday its announcement on Friday had been queried by the corporate watchdog as well as the ASX.

ASA spokesman Stephen Mayne called for an investigation into the situation.

Padbury shares surged from 2¢ to a high of 5.2¢ in early trading on the back of the announcement, before the **company** was sent back into a trading halt ahead of further disclosures.

“We think it’s a disgraceful situation — the ASX should never have let the announcement through,” Mr Mayne said.

“No **company** should be able to make such a hugely material announcement without credible backup information, such as . . . the identity of the bidder, the institutions providing the finance.”

CO	aurhld : Australian Shareholders' Association faiaeo : Fairstar Resources Limited rivgol : Padbury Mining Limited
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