

**HD** Padbury questioned by Australian regulators over A\$6.5B Oakajee port, rail funding deal

**BY** Angela Kean

**WC** 371 words

**PD** 18 April 2014

**SN** SNL Metals & Mining Daily: East Edition

**SC** SNLMMDE

**VOL** Issue: 80163

**LA** English

**CY** Copyright 2014. SNL Financial LC

**LP**

ASX-listed **iron ore** explorer Padbury **Mining** Ltd. has received enquiries from the ASX and the Australian Securities and Investments Commission relating to its announcement of a A\$6.5 **billion** investment deal it struck to fund the development of port and rail infrastructure in Western Australia's Mid West region.

The **company** requested an extension to its voluntary suspension on April 17, saying that it now expects to reveal further details of the shareholders' agreement on April 23. The agreement was first announced almost a week earlier, on April 11.

**TD**

Padbury previously came out of a trading halt to announce that private Australian **equity** investors will provide the funding to build the Oakajee port and rail.

Under the deal, the project will be developed by Midwest Infrastructure Pty. Ltd., or MWI, a fully owned subsidiary of Padbury. The investors in the project will obtain a 64% **stake** in MWI, with the remaining 36% to be held by Padbury.

The **company** re-entered a trading halt and requested a subsequent voluntary suspension from the ASX following the announcement due to the lack of detail of the deal and had anticipated making a further announcement on April 17.

Padbury said the reason for the extension of its voluntary suspension is that it is seeking information regarding the ability of counterparties to the shareholders' agreement to meet funding obligations under the agreement, as well as their consent to disclose the agreement in its entirety.

The ASX and Australian Securities and Investments Commission have requested that Padbury produce certain documents related to the proposed funding deal. The **company** said it would use the extended voluntary suspension to respond to the regulators' queries.

Meanwhile, there is some confusion over who will actually fund and build the Oakajee port and rail project, with the Western Australian government in talks with **Chinese** state-owned enterprises to back the project.

Premier Colin Barnett reportedly met with the chairman of **Chinese** state-backed **company** CITIC Group Corp. to discuss the possibility of the multinational funding the Oakajee project.

He also claimed that he had not had any dealings with Padbury regarding the development.

**CO** rivgol : Padbury Mining Limited | ausic : Australian Securities and Investments Commission

**IN** i5020017 : Harbor Construction | i221 : Iron/Steel/Ferroalloys | i22 : Primary Metals | i502 : Heavy Construction | ibasicm : Basic Materials/Resources | iconst : Construction | icre : Real Estate/Construction | i211 : Metal Ore Mining | i2112 : Gold Ore/Silver Ore Mining | imet : Mining/Quarrying

**NS** c13 : Regulation/Government Policy | ccat : Corporate/Industrial News | ncat : Content Types | nfact : Factiva Filters | nfcpin : FC&E Industry News Filter

**RE** austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

**IPD** Federal Regulatory Activity

**PUB** SNL Financial LC

