

HD CLOSSES FLAT ON LIGHT VOLUME, BOND YIELDS RISE, \$A PLUNGES

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The S&P/ASX200 closed down 0.1 to 5511.3 on light volume worth \$3.3 **billion**. There were 474 issues higher and 544 down. The SPI Futures closed down 10 points to 5461 on lightish volume of 19,889 contracts. Aussie 10 year bond yields rose 6 points to 3.47%. The \$A is at 92.73US c, down about 1.25US c from last evening.

*The banks have contributed 5.3 negative points to the index, insurers are Neutral, resources have contributed 4.7 positive points, **property** trusts have contributed 0.4 negative points, retailers have contributed 0.2 positive points and Telstra has contributed 0.9 positive points.

*At 4pm AEST the Nikkei Dow futures is up 70 points to 15,390 points, Shanghai CSI physical is down 2.49 points to 2064.16, Hang Seng futures is up 58 points to 23,424 points. S&P futures is up 0.8 points to 1971.80, Nasdaq futures is up 4.5 points to 3923.75, Dow futures is up 11 points to 16,989 points.

Spot **gold** rose \$2 to \$1310. Crude futures fell 3c to \$100.88.

*The Bank of Japan retained its goal of an annual increase in the monetary base of between 60 trillion yen and 70 trillion yen (\$690 **billion**), it said in a statement today in Tokyo, as forecast by all 34 economists surveyed by Bloomberg News. Consumer prices excluding fresh food will rise 1.9 percent in the year starting April 2015, the median estimates of **board** members showed, matching its forecast three months ago.

*In **China** new yuan loans topped 1 trillion yuan for the third time this year, vs 955 **billion** yuan estimated by economists polled by Bloomberg. **China** foreign direct investment grew by 0.2% in June from a year earlier vs a forecast for a 7% decline.

HIATUS IN MARKET AS COMPANIES ENTER BLACKOUT PERIOD

Our market saw very little interest today, swung between a high of 5536 and a low of 5493.9 during the day, on low volume, with a sagging dollar A and lower bond buying perhaps also signifying a lack of overseas interest. Companies entering their blackout period before the August reporting season and confession season mostly at an end. There was also little in the way of global news to inspire.

"If we break 5540, 5550 is next. Resistance is at 5520. Up 20 points today"

Ben Faulkner, a senior adviser at Morgans said, "Touching on the German index, there was a good relief rally last night with the index closing not far off its high. There is significant resistance for the DAX at 9783. Major resistance on the DAX is at 9800, we need to see it break and close above 9800 for the week.

"The **Chinese** market had quite a strong day yesterday, closing on its highs. The picture looks better, however 2070 is a big test. If it breaks 2070 it will be a good short term bullish break out. We are likely to see 2130 tested if we get that break.

"Gold last week was looking pretty bullish. \$1340 has now proven to be its short term top. It broke back under the 20 day moving average. There is good support around \$1300. Gold is in no man's land at the moment. If \$1300 breaks a short term downtrend will form, we are likely to see \$1280 tested pretty quickly.

"Copper has had quite a good rally. It has had a break through the \$3.15/3.20 per lb level and has been consolidating between \$3.24/3.27 a pound. Volatility has settled down as well. Copper will probably struggle to push higher than \$3.27/lb in the interim. Support will be at \$3.36 a pound. There is a bit of profit taking at the moment, but the formation is positive for copper.

"The S&P500 saw good solid moves last night, coming right back to not far from its 1980 level, only 5 points from previous highs and resistance. The S&P500 has resumed its long term uptrend. However volume is still on the low side for the US, the market has rallied on small volume.

For the remainder of the week we will probably see the S&P test the 1985 resistance and previous high.

To the XJO - we had a very strong day again yesterday. However we should be wary of rising indexes on small volume, that given the volatility we saw last week can easily get whacked.

We broke and closed above the 5500 level. The next test will be 5540. The short term uptrend has resumed. If we break 5540 then the 5550 level is next. Resistance is initially at 5520 followed by the 5540 level.

"For the day I will call it up 20 points'.

The S&P/ASX200 closed up 24.6 points to 5511.4 last evening.

ECO NEWS

The ABS total new vehicle sales for the month of June

Trend estimates: The June 2014 trend estimate (93 031) has increased by 0.2% when compared with May 2014.

Seasonally adjusted estimates: The June 2014 seasonally adjusted estimate (94 389) has increased by 1.7% when compared with May 2014.

SALES BY TYPE OF VEHICLE

Trend estimates: When comparing national trend estimates for June 2014 with May 2014, sales of Sports utility and Other vehicles increased by 0.9% each. Over the same period, Passenger vehicles decreased by 0.5%.

Seasonally adjusted estimates: When comparing seasonally adjusted estimates for June 2014 with May 2014, all vehicle categories increased with sales of Passenger, Sports utility and Other vehicles increasing by 1.3%, 0.2% and 4.8% respectively.

SALES BY STATE

Trend estimates: Five of the eight states and territories experienced an increase in new motor vehicle sales when comparing June 2014 with May 2014. The Northern Territory recorded the largest percentage increase (1.1%), followed by Victoria (0.9%) and South Australia (0.8%). Over the same period, Queensland recorded a decrease of 0.6%.

Seasonally adjusted estimates: Seven of the eight states and territories experienced an increase in new motor vehicle sales when comparing June 2014 with May 2014. The Northern Territory recorded the largest percentage increase (17.7%) followed by South Australia (5.8%) and the Australian Capital Territory (4.0%).

RBA Minutes:

Considerations for Monetary Policy

Overall, global economic conditions were little changed over the past month and were consistent with growth in Australia's major trading partners remaining close to the average of the past decade. Commodity prices had also been steady, but were well below levels seen earlier this year, the more so in Australian dollar terms given the appreciation of the exchange rate since then. Financial conditions globally remained very accommodative.

In Australia, GDP growth was above trend in the March quarter and over the past year, reflecting very strong growth in resource exports from new capacity coming on line. Resource exports were expected to continue to expand in coming quarters, but not at such a rapid pace. There had been a gradual improvement in the pace of activity in the non-resource sector and forward-looking indicators suggested that further strong growth in **residential** construction was in prospect, despite some easing of conditions in the established housing market over recent months. After picking up through last year, household consumption growth appeared to have eased, while non-**mining** business investment was picking up gradually.

Conditions in the labour market had improved a little since earlier in the year, although forward-looking indicators had been mixed of late and consistent with only moderate growth in employment. The national accounts data confirmed that wage growth had been relatively low, which was consistent with the spare capacity in the labour market.

At its recent meetings, the **Board** judged that it was prudent to leave the cash rate unchanged. Low interest rates were working to support demand, but members agreed that it was difficult to judge the extent to which this would offset the anticipated substantial decline in **mining** investment and the effect of planned fiscal consolidation. The exchange rate remained high by historical standards, particularly given the declines in key commodity prices, and was therefore offering less assistance than it otherwise might in achieving balanced growth in the economy.

With growth in resource exports expected to ease back, GDP growth was forecast to be a little below trend over the next year or so, before picking up gradually thereafter. Inflation was expected to remain within the target. Accordingly, with the significant degree of monetary stimulus already in place to support economic activity, the **Board** judged that, on present indications, the most prudent course was likely to be a period of stability in interest rates.

The Decision

The **Board** decided to leave the cash rate unchanged at 2.5 per cent.

TOP STOCKS

*Whitehaven **Coal** rose 7.5c to \$1.55 on 3.5m shares, also saw some hope of an improvement in price for metallurgical **coal**.

*Orocobre rose 12c to \$2.63 on 530,014 shares after its announcement today.

*Syrah rose 20c to \$5.51 after its sharp loss yesterday on no further news re. a Glencore takeover.

*PanAust closed up 4c to \$2.19 on 2.2m shares - whether or not takeover will proceed is unclear but projects performing well.

*ASX closed up 18c to \$36.33 on 308,2984 shares.

Among the financials, AMP closed down 2c to \$5.32 on 8.22m shares, CBA fell 21c to \$81.50 on 2.89m shares, NAB rose 7c to \$34.01 on 4.46m shares, RIO rose 76c to \$63.10 on 2.44m shares.

Among the TMT's Telstra rose 2c to 45.39 on 15.56m shares, Telecom NZ fell 1c to \$2.57 on 753,286 shares, SingTel rose 3c to \$3.34 on 703,468 shares.

Among the resources BHP closed up 17c to \$38.03 on 5.74m shares, RIO rose 76c to \$63.10 on 2.44m shares. Fortescue rose 7c to \$4.31 on 20.8m shares, AWC fell .5c to \$1.40.5 on 11.39m shares, OZL fell 1c to \$4.30 on 4.9m shares, Paladin rose 1c to 32c on 2.9m shares, Western Areas rose 9c to \$5.07 on 1.58m shares, Sandfire rose 22c to \$6.53 on 928,730 shares.

Among the oils, Woodside rose 24c to \$41.55 on 1.74m shares, Santos rose 4c to \$14.10 on 2m shares, **Oil** Search fell 1c to \$9.52 on 4.96m shares.

Among the golds, Newcrest closed down 7c to 411.03 on 2.1m shares, Northern Star closed steady at \$1.67.5 on 13m shares as people "**buy** the dips" in the now second biggest **gold** miner in Australia. Medusa fell 12.5c to \$1.70 on 5.5m shares, Oceana fell 3c to \$3.29 on 456,838 shares. Alacer fell 8c to \$2.75 on 433,225 shares.

AT THE SMALLER END

*Cape Lambert rose 3.6c to 11c on 26.13m shares after announcing it would return some of the \$51.6 **million** received in settlement via either a dividend or buyback.

NEWS OF THE DAY

*Israel's security cabinet has agreed to a ceasefire proposal to end a week of deadly cross-border fire with the Gaza Strip, but it appears unlikely that Palestinian militants will do the same.

LARGE CAP INDUSTRIALS

*LEI: S&P affirms BBB-/A-3 rating, removes from negative credit watch

Leighton Holdings Ltd tabled Standard & Poor's announcement, affirming its credit rating of Leighton Holdings as BBB/A-3 with stable outlook, removing Leighton from negative credit watch. (Jul 14)

Market Cap \$7b.

LEI down 27 cents to \$20.73

*MMS: Fairfax amends comments on temporary suspension of novated leases

The **Board** of McMillan Shakespeare Ltd advised it notes the articles published in Fairfax media outlets on July 14 concerning the temporary suspension of its RemServ business from quoting on new novated leases for one of its employer customers.

The short suspension to date is not material to MMS and may mislead market participants. In particular the suggested reason for suspension is false. The suspension took place due to unrelated issues which are being worked through with the customer. Fairfax has amended the articles.

Market Cap \$674m

MMS down 2 cents to \$9.05

*MYR: Independent non exec director Peter Hay resigns

Myer Holdings Ltd announced Chairman Paul McClintock AO had accepted the resignation of independent non executive director Peter Hay, effective July 14. Mr Hay a member of the **board** since February 3 2010 and a member of the Audit, Finance and Risk Committee has resigned due to the pressure of his other work commitments.

The chairman said the **board** was well served by its current members and would not seek an immediate replacement.

Market Cap \$1.33b.

MYR down 3 cents to \$2.27

*NUF: Moody's lowers rating to Ba3 from Ba2, outlook stable

Nufarm advised Moody's Investor Services has lowered the corporate family rating of Nufarm Ltd to Ba3 from Ba2. Concurrently Moody's has lowered the rating on the \$US325m senior unsecured notes issued by Nufarm Australia Ltd to B1 from Ba3. The outlook on both ratings is stable.

Market Cap \$1.2b.

NUF down 13 cents to \$4.53

LARGE CAP RESOURCES

*OZL: Prod at lower end of guidance, cash costs down, cash in hand down

OZ Minerals Ltd for the three months ended June 30 announced total **copper** produced was 22,181 tonnes for the June quarter and 40,363 tonnes to date. Total **gold** produced is 30,736 ozs, 64,528 ozs year to date.

C1 cash costs are 109.7US c/lb vs 115.2USc/lb for the year to date was 115.2US c per lb.

As foreshadowed in June the cash balance was lower at June 30 with \$155 **million** due to accelerated **mining** in the Malu Open Pit and value held as working capital.

An updated Mineral Resource and Initial **Ore** Reserve estimates were released for Malu underground on June 30.

Carrapateena pre-feasibility study internal management review is close to completion.

An initial mineral resource estimated was announced for Khamsin on May 26.

There are significant **copper** and **gold** mineralisation intersected in first drill results from Bellas Gate exploration project in Jamaica, including 260m at 0.44% Cu, 0.19gpt Au from 39m.

Guidance:

Production: With year to date **copper** production over 40,000 tonnes of Cu and the performance in the Malu Open Pit which has accelerated access to increased quantities of higher grade **ore**, **copper** production for the 2014 full year is predicted to be 85,000 tonnes to 90,000 tonnes of **copper**, higher than the annual production guidance previously announced at 75,000 tonnes to 80,000 tonnes of **copper**.

C1 unit costs: As a result of a higher proportion of **copper ore** and lower proportion of **gold only ore** expected in the mill feed for the remainder of the year, while production guidance of 130,000/140,000 ozs is maintained, it may be to the lower end of the range.

C1 unit costs are expected to reduce to \$US1.10/1.20 per lb, reflecting higher **copper** production and lower open pit **mining** unit costs offset to some extent by lower **gold** by-product credits and higher **ore** milled than previously assumed.

Market Cap \$1.3b.

OZL down 1 cent to \$4.30

*PNA: All-in sust. costs for Cu/Au remain low, **gold** prod to rise/GRAM offer

PanAust Ltd in its June quarter report said Phu Kham production was 16,547 tonnes of **copper** in concentrate at a C1 cash cost of \$US1.36/lb **copper** after precious metal credits from 13,463 ozs **gold** and 75,758 ozs silver, all-in sustaining costs of \$US2.46/lb. **Gold** production at Phu Kham is expected to rise to over 85,000 ozs in 2015 on higher grades.

At the KTL satellite pit, a revised life of mine schedule has KTL feeding **ore** to the Phu Kham concentrator from late 2015, allowing annual **copper** production to rise to over 90,000 tonnes in 2016.

Ban Houayxai produced 24,734 ozs of **gold** at a C1 cash cost of \$US699/oz after credit from 190,600 ozs silver. All-in sustaining costs were \$US998/oz.

Group consolidated **copper** and **gold** production for 2014 is expected to be at the upper end of guidance.

On the corporate front, the Frieda River Cu-Au project in PNG continued to advance PanAust's feasibility study work program. The **acquisition** of an 80% interest in the project is subject to a condition precedent.

PanAust in an announcement to ASX on May 13 confirmed it had received a confidential, non binding, indicative and incomplete proposal from the **company's** largest shareholder, Guangdong Rising Assets Management (GRAM) to acquire all of the shares in the **company** by way of an off market takeover. The PNA **board** advised GRAM that its offer of \$2.30 (initially \$2.20 but subsequently increased) cash per share was materially below the level at which the **board** would be prepared to recommend to PNA's shareholders. In relation to the succession process initiated for the position of Managing Director, Gary Stafford will continue as managing director until discussions with GRAM or any other party and any subsequent process has completed.

Cash in hand is \$US129.3 **million**, debt is \$US150 **million** and undrawn debt facilities is \$US125 **million**, excluding equipment lease facilities.

Market Cap \$1.4b.

PNA up 4 cents to \$2.19

*WHC: New prod records for 2014/sees positive signs in met **coal** market

Whitehaven **Coal** Ltd in its report for the June quarter advised new production records of 11.5Mt and 10.3Mt were achieved for 2014, an improvement of 27% and 26% over the previous year.

New production records were achieved at Narrabri, Tarrawonga and Werris Creek for the full year, highlighting the strong operational performance from all of Whitehaven's mines during the year.

Construction of the Maules Creek project progressed to beyond 50% complete and remains on schedule and budget for first **coal** to be railed in March 2015.

Development of the box cut for the Maules Creek mine will commence in August 2014.

Rail line construction is 43% complete, slightly ahead of schedule.

Coal sales for the year were 10.8Mt, up 22% on the previous year.

Equity production and sales for the full year were ROM 9.1Mt, saleable 8.2Mt and sales 8.7Mt, all records for the **company**.

Coal sales and **coal** market outlook

Total **coal** sales for the June quarter of 2.902Mt were 12% higher than the previous corresponding period (pcp). Export sales comprised 0.529Mt of metallurgical **coal** and 2.323 Mt of thermal **coal**. In addition, there was 0.05Mt of domestic thermal **coal** sales for the June quarter.

Full year sales were 10.841Mt about 22% higher than the previous year comprising 1.988 Mt metallurgical **coal** with the balance thermal **coal sold** to both the domestic and export markets.

Whitehaven achieved an average price of \$US93.63/t from sales of its metallurgical products in the June quarter. Whitehaven expects the price for these products in the next quarter to be in the range of \$US91/t to \$US92/t.

WHC sees positive signs emerging in the metallurgical **coal** market with the recent quarterly settlement rolled over at the same price as the previous quarter. "This should **lead** to a modest recovery in prices towards the end of his calendar year" the **company** said in the report.

Market Cap \$1.6b.

WHC up 7.5 to \$1.55

*ZNZ: Lifts quarter volumes of all fuels to 669Mln litres vs 596Mln litres for pcp

Z **Energy** Ltd for the June quarter announced operational data for the quarter ended June 2014.

Z's total fuel volumes in **millions** of litres for the June quarter was 669Mln litres vs 596Mln litres for the previous corresponding period (pcp) out of total industry volumes for all fuels of 1.947Mln litres vs 1,920 Mln litres for the pcp.

Z's petrol was 201Mln lt, Diesel was 209 Mln litres, Other fuels was 138Mln litres.

Supply/export sales was 122Mln litres vs 42Mln litres for the pcp.

Market Cap \$1.44b.

ZNZ down 6 cents to \$3.60

MID TO SMALL INDUSTRIALS

*AJA: Underlying after tax profit to be slightly below last year

Astro Japan **Property Group** announced earnings guidance for the year ended June 30. Underlying after tax profit is expected to be in the range of \$26.8/27.2 **million** vs \$28.8 **million** for the previous year.

This forecast result reflects the determination of a performance fee of \$2.54 **million** payable to AJA's Japan Asset Manager, Spring Investment Co Ltd. The forecast result also takes into account AJA's entitlement to participate in 25% of Spring's profits, including that fee.

The fee is calculated by comparing the total return of AJA to the S&P/ASX200 **Property** Accumulation Index. The fee is equal to 5% of outperformance up to 2% outperformance and 15% of outperformance above 2% outperformance, calculated by reference to the market capitalisation which was based on the 10 day VWAP ended on July 9. (Jul 14)

Market Cap \$274m.

AJA down 3 cents to \$4.08

*ALA: UST Global invests \$US2 mln in market partner xTV

Applabs Technologies Ltd is pleased to announce that UST Global has made a \$US2 million strategic investment in xTV and go to market partner.

The investment will drive global expansion of enterprise in x.TV networks and increase global reach of xTV platform.

Market Cap \$9m.

ALA down 0.5 to 24.5 cents

*CDY: Peer review validates tech to suppress FGF5 increases hair growth

Cellmid Ltd announced a peer reviewed scientific paper that for the first time directly links FGFS as a cornerstone regulator of human hair and eyelash growth.

Cellmid's hair growth products contain FGF5 inhibiting botanical extracts. The findings of this study confirm blocking FGF5 as a highly attractive therapeutic approach to increase hair growth.

Cellmid CEO Maria Halasz said in the report Advangen's scientists were far ahead of the curve in targeting FGF5. Cellmid, through its wholly owned subsidiary Advangen is the leader in developing clinically validated products for boosting healthy hair growth via FGF5 inhibition.

Our Week's Special dated July 6 2012. CZD was trading at 5.4c.

Market Cap \$21m.

CDY up 0.1 to 2.8 cents

*FWD: Appoints CFO and Co Sec Bradley Denison as MD

Fleetwood Corporation Ltd announced the appointment of Bradley Denison as its managing director. He is currently the CFO and company secretary of Fleetwood. He has an extensive financial and commercial background including 13 years with the company.

Market Cap \$139m.

FWD steady at \$2.29

*JAT: Co-op with China Coal Research institute for clean low grade coal

JAT Energy Ltd announced a cooperative agreement with China Coal Research Institute for the clean use of low grade coal and its components.

Jatenergy is to add to its marketing portfolio of Clean Coal Technologies viable for "Green" Bond projects.

Market Cap \$1.76m.

JAT up 0.1 to 1.7 cents

*LER: 99% saccharification of cellulose to sugars in 6 hours from Glycell process

Leaf Energy Ltd announced further outcomes from ongoing production trials of the company's "Glycell process at the Andritz pilot plant facility in Springfield, Ohio have achieved 99% saccharification of cellulose to sugars in 6 hours from Glycell penetrated sugar cane bagasse. Clean sugars were produced with negligible degradation products. The results are commercially significant and open up a potential second income stream for the Glycell process. Patent applications have been finalised and lodged.

Market Cap \$3.4m.

LER untraded last at 4.6 cents

*OSL: Ethics approval for Pivotal clinical trial of OncoSil for pancreatic cancer

OncoSil Medical Ltd announced it has secured Ethics Approval for the Australian component of its Pivotal Clinical Trial for the OncoSil localised radiation treatment for pancreatic cancer - a major unmet medical need.

OSL is also continuing to make preparations for an Investigational Device Exemption submission for OncoSil to the US FDA and expects to submit an IDE in the near future.

An IDE submission would represent a significant step in the regulatory pathway for OncoSil. OncoSil is an implantable device that emits radiation directly into a pancreatic tumour and the surrounding pain conducting nerves and delivers radiation theRapy locally for up to three months. It is classified by regulators as a class III medical device, not a drug.

Market Cap \$35m

OSL up 0.2 to 9.9 cents

*QHL: EFIC provides new \$7 **million** "multi option" facility

Quickstep Holdings Ltd announced the Australian Government's export credit agency Export Finance and Insurance Corporation (Efic) has agreed to provide a new \$7 **million** "multi option" facility to Quickstep. The new guarantee will include a performance bond facility for Quickstep's technology export contracts and an export working capital guarantee to support growth in existing aerospace contracts. The facility is valued at approximately Euro 3 **million** and supports QHL's Euro 4.2 **million sale** of its Quickstep Process technology to ORPE Technologiya.

Market Cap \$72m.

QHL steady at 18 cents

*SIQ: Melbourne Health renews salary packaging deal with SIQ

Smartgroup Corporation Ltd announced it has signed an agreement with Melbourne Health for the provision of salary packaging services. Melbourne Health has been a client of Smartsalary since 2003. Melbourne Health ran a tender process in late 2013 and Smartsalary was selected as the preferred tenderer. Melbourne Health is a PB117. It includes Royal Melbourne Hospital, NorthWestern Mental Health and the Victorian Infectious Diseases Reference Laboratory. It has approximately 8,000 employees with around 6,400 packages.

Market Cap \$149m.

SIQ down 3 cents to \$1.47

*UXC: Pays \$12.5 mn in settlement of Kilmore East bushfire class action

UXC Ltd announced the **company** and other parties to the Kilmore East Bushfire Class Action today agreed to settle all actions between them. The settlement is without admission of liability.

After due deliberations the defendants and other parties involved in the litigation agreed to a settlement sum of which ACN 060 674 580 Pty Ltd's liability insurers will pay \$12.5 **million** as the contribution to the overall settlement. Subject to Court approval, the settlement resolves all related litigation. The date for hearing the application for Court approval of the proposed settlement terms has not yet been fixed.

Based on this settlement there is no financial or cash impact on UXC.

Market Cap \$235m.

UXC down 1 to 73 cents

*WEB: Acquires online **hotel** provider for Euro 21 mln

Webjet announced it has entered into a binding Heads of Agreement to acquire the SunHotels **Group** with effect from July 1 2014. SunHotels, established in 2002 is a substantial online **hotel** provider with a turnover in excess of Euro 90 **million** and specialises in the provisioning of a wide range of hotels and transfers in European resort destinations selling into the major markets of Scandinavia and the UK. It has been consistently profitable over the past 8 years including an EBITDA of Euro 2.6 **million** in calendar 2013 with earnings in 2014 tracking significantly higher.

The **purchase** price is payable in cash and is based on an agreed value of Euro 21 **million** subject to various settlement adjustments relating to working capital and other matters and will be 100% funded through a euro denominated set finance facility. Webjet has moved into a position of management oversight and **board** representation.

Market Cap \$211m.

WEB up 2 cents to \$2.66

MID TO SMALL RESOURCES

*CFE: To receive \$A51.6 mln in settlement/to decide on div, cap return

Cape Lambert Resources Ltd advised settlement has been reached with Metallurgical Corporation of **China** Ltd over the final \$A80 **million** payment from the **sale** of the Cape Lambert magnetite **iron ore** project. The **company** notes that both the Arbitrator and Escrow agent have been advised to release \$A30 **million** to MCC and the balance of approximately \$A51.6 **million** to Cape Lambert. The **company** expects to receive the funds within the week.

Following receipt of the funds Cape Lambert will have cash, receivables and listed securities to the value of \$A100 **million** which includes unrestricted cash of \$A70 **million**.

The **board** of Cape Lambert will be meeting within the next two weeks to finalise a dividend and/or return of capital to shareholders. (Jul 14)

Market Cap \$70m.

CFE up 3.6 to 11 cents

*CGN: **Mining** plant commissioning at High Grade Zone/appl'n to mine filed

Crater **Gold Mining** Ltd announced its **mining** plant is being commissioned on **site** at the High Grade Zone project at its 100% owned Crater Mountain project in PNG.

The High Grade Zone is earmarked to commence **gold** production subject to the outcome of the **mining** lease application. An application for a **mining** Lease with a Proposal or Development application was formally lodged with the PNG Mineral Resources Authority at the beginning of May 2014. (Jul 14)

Market Cap \$23m.

CGN up 1.5 to 17 cents

*CMT/STO/TLM/KPL: Rises sharply on Pandora gas field presentation

Cott **Oil** & Gas Ltd rose sharply following a presentation on the Pandora Gas Fields, PRL 38 (CMT 40%, talisman 25% and operator, Kina 25% and Santos 10%) located in the Gulf of Papua midway between Port Moresby and Daru in 120m of water at approximately 1,400m TVD. (Jul 14)

Market Cap \$8m / \$13.77b. / \$31m / \$91m.

CMT down 2.5 to 13.5 cents /STO up 4 cents to \$14.10 / TLM up 1.5 to 23.5 cents

KPL untraded last at 37 cents

*CRB/AAX: Awards Mt Morgan Scoping Study tender to Ausenco

Carbine Resources Ltd announced it has awarded the Mount Morgan Scoping Study tender to Ausenco. The Study seeks to confirm the technical and economic viability of restarting tailings reprocessing at the historic Mount Morgan mine to recover remaining **gold, copper** and pyrite resources.

*Peter Strachan in 'StockAnalysis' dated June 4 looked at Cott **Oil** & Gas, that has announced the results of a concept study on development of a 1 Mt p.a. FLNG project around its 800 Bcf Pandora gas project in the Gulf of Papua.

Talisman **Energy** is the operator at Pandora with a 25% interest and also has an interest in the PNG Foreland project. Other partners include Kina with 25%, Santos with 10% while Cott holds 40%. Peter says in the report, "The field consists of a 290m thick Miocene aged reef structure that was discovered in 1988 and tested gas at a healthy flow rate of 57 mmscfd. The top of the gas column at Pandora A was encountered at 1,392 **m** total vertical depth and the project is considered to have upside potential for about 1.5Tcf of gas.

Peter sees the production cost estimate of between \$US6.55/8.10 per mmBtu for gas delivered to a customer in Asia as very competitive, so is the Build Own and Operate quotes for an FLNG facility for a toll processing fee of \$4/Mcf - and StockAnalysis sees interesting possibilities to tie the Pandora project in with HZN/ROC's Osaka Gas and Talisman's Stanley, Elevala-Tingu and Ketu gas projects onshore in the PNG forelands' Peter says in the report.

Market Cap \$4.2m / \$86m.

CRB steady at 3 cents / AAX down 2 to 51 cents

***ORE:** Completes relocation of borax decahydrate chemical plant

Orocobre Ltd advised the relocation of Borax Argentina's borax decahydrate chemical plant from Campo Quijano to Tincalayu mine **site** has been completed within budget and production has commenced. The project is expected to deliver significant cost benefits through reduction of operating and logistics expenses.

Market Cap \$347m.

ORE up 12 cents to \$2.63

***ORN:** To start aircore drilling at Fraser Range Ni-Cu project

Orion **Gold** NL advised it will shortly mobilise a drill rig to start aircore drilling at its Fraser Range Ni-Cu project in WA after receiving new geochemical and petrology data which extends the high priority area at the Peninsula prospect.

Based on the new data the **company** is prioritising work at the Pennor target, located 3km north of the HA2 target where Orion intersected broad zones of nickel-**copper** mineralisation in March.

Market Cap \$11.4m.

ORN up 0.3 to 4.7 cents

***ROL:** 87.3% owned Mentum s/holders approve **acquisition** of Kyrgyz assets

Mentum Inc Shareholders have approved the **acquisition** of Kyrgyz Republic assets comprising Andash, Talas and Bashkol **gold-copper** projects, the consolidation of Mentum's capital structure to 107.4 **million** shares and a change of name to Tengri Resources. Robust will hold 87.3% of Mentum Inc. the Mentum **stake** represents approximately 60% of ROL's current market capitalisation.

Market Cap \$51m.

ROL untraded last at 26 cents

***SEH:** Approx 5mln std cu ft pd of gas in 1st Linxing Prod Sharing Contract

Sino Gas & **Energy** Holdings Ltd announced that a gas flow rate of approximately five **million** standard cubic feet per day has been achieved on the first horizontal well of the Linxing Production Sharing Contract.

The first horizontal well, drilled in late 2013 has been fraced in a five metre middle level zone in the south western discovered area of Linxing (West). Following a nine stage fracture stimulation treatment, flow testing was conducted over 80 hours in two stages, achieving a gas flow rate of 4.93 MMscf/day at a relatively stable flowing tubing head pressure of 2,008 psi (over 8 MMscf/day calculated at standard field pressure of 200 psi).

Market Cap \$298m.

SE H up 4 to 19.5 cents

***VXL:** Re-commissioning and upgrade of graphite **m**fr plant near completion

Valence Industries Ltd advised it continues the re-commissioning and upgrading of the **company's** existing graphite manufacturing facilities at Uley near Port Lincoln in South Australia. The refurbishment and upgrade of existing plant on the land owned by Valence Industries is nearing completion.

Market Cap \$62m.

VXL steady at 46 cents

RE austr : Australia | melb : Melbourne | saustr : South Australia | victor : Victoria (Australia) | apacz : Asia Pacific | ausnz : Australia/Oceania

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