SUNDANCE RESOURCES

RESEARCH NOTE

PATERSONS THE AUSTRALIAN STOCKBROKER

Continuing to tick the boxes

Investment Highlights

Sundance Resources (ASX: SDL) continues to progress its commercialisation strategy of its flagship Mbalam-Nabeba iron ore project in Central West Africa. On 19 December 2013 it received several tenders for rail and port infrastructure from Chinese and non-Chinese Engineering, Procurement and Construction (EPC) contractors with demonstrable capabilities and financing capacity. We believe that there is a real chance that the port and rail infrastructure will be either predominantly funded by facilitated debt and partial asset sales, or (better still) constructed under a build, own, operate and transfer (BOOT) contract that will relieve SDL of the burden of financing around 80% of the initial project capital expenditure. We expect finalisation of an exclusive agreement on the port and rail infrastructure in April 2014 and we anticipate a major re-rating of SDL's share price to more closely align it with our $0.26/share valuation.

- **Port and rail infrastructure tenders received and detailed negotiations commence:** Several tenders were received by SDL from international EPC proponents in response to a process that was initiated in August 2013. We understand that, as part of the the tender conditions, the financing of the c$4bn of capital expenditure (capex) is included in the submissions. The Company is now engaging in detailed negotiations with a view to finalising an exclusivity agreement with the successful EPC proponent by the second quarter of 2014.

- **Mbalam-Nabeba Project: A significant iron ore development opportunity:** We believe that the Mbalam-Nabeba iron ore project is a potential tier one asset that hosts a substantial direct shipping ore (DSO) component and a massive underlying itabirite mineral resource. The unlocking of value initially lies with financing the c$5bn of capex required. We believe that there is a real chance that an independent infrastructure solution could eventuate which will reduce capex to less than $1bn, which could be financed predominantly by debt and iron ore product pre-sales.

- **Iron ore offtake, project equity sale and processing plant EPC tender arrangements progressing in parallel:** Now that negotiations have commenced with EPC proponents for the port and rail infrastructure, SDL has now also issued tender documents for financing and construction of the separate Mbarga (~12Mtpa) and Nabeba (~23Mtpa) processing plants and associated mine site infrastructure. It is also negotiating with groups on iron ore offtake and potential acquirers of equity stakes in the project assets. We believe that around 10-15Mtpa of offtake will be required to underpin the port and rail infrastructure EPC contract.

- **Catalysts:** 1) March Q 2014: Culmination of funding talks on EPC tender process for the port and rail infrastructure; 2) March Q 2014: Product offtake arrangements and mine joint venture development proposals due; 3) Late CY2014: Commencement of project construction.

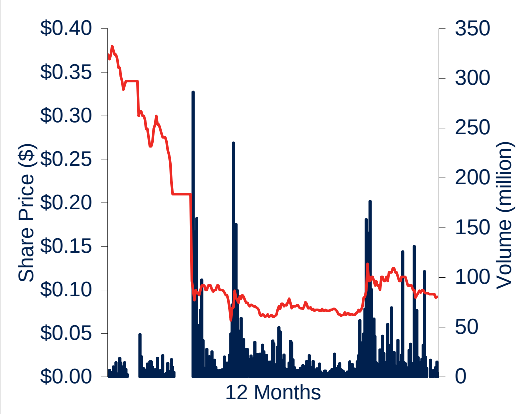
8 January 2014

12mth Rating		**BUY**
Price	A$	0.09
Target Price	A$	0.26
12m Total Return	%	187.9
RIC: **SDL.AX**		BBG: **SDL AU**
Shares o/s	m	3073.1
Free Float	%	85.9
Market Cap.	A$m	279.7
Net Debt (Cash)	A$m	5.1
Net Debt/Equity	%	2.1
3m Av. D. T'over	A$m	3.77
52wk High/Low	A$	0.38/0.07
2yr adj. beta		1.44

Valuation:		
Methodology		DCF
Value per share	A$	0.26

Analyst: Rob Brierley
Phone: (+61 8) 9263 1611
Email: rbrierley@psl.com.au

12 Month Share Price Performance



Performance %	**1mth**	**3mth**	**12mth**
Absolute	-13.3	28.2	-75.4
Rel. S&P/ASX 300	-16.9	20.1	-73.6

Valuation

We have run a scenario that assumes that the port and rail infrastructure is built, owned and operated by a consortium independent of SDL, whereby SDL signs up as a foundation customer. We have assumed that SDL pays a tariff to access the infrastructure of US$22/t, which is sufficient to derive a return to the consortium of c12-13%.

This leaves SDL with capex to fund of around $1bn, which we have assumed is sourced from bank debt (c$650m), iron ore pre-sales (c$200m) and equity, including the exercise of options (c$300m).

Based on this scenario, and at full production, the project derives free cashflow of around $330m p.a., which is less than the current market capitalisation of SDL.

Other assumptions made in the calculation of our discounted cash flow based valuation of SDL are:

1. We have only modelled the cash flow of the DSO hematite project, assuming detailed design commences in Q3 CY2014, construction starts in early 2015 and production initiates in December 2017.

2. We have escalated capex from the DFS by c10%, while operating costs have been inflated by CPI from the DFS, which used December 2010 dollars.

3. We have applied a nominal valuation of US$0.20 per Fe unit in-situ for 76.5% of the Itabirite resource.

Figure 1: Sundance Resources – DCF Valuation

Valuation	A$m	A$/sh
Mbalam-Nabeba Stage 1	1513	0.24
Corporate	(128)	(0.02)
Unpaid Capital	0	0.00
Stage 2 Itabirite Project	252	0.04
Cash	44	0.01
Debt	(50)	(0.01)
Total @ 10% Discount Rate	**1630**	**0.26**
Price Target	**1630**	**0.26**

Source: Patersons Securities Limited

Our analysis indicates that there is significant value in SDL based solely on the high grade hematite project, without the need to factor in the potential of additional mine life from converting hematite resources to ore reserves or the potential cashflows of the itabirite project, both of which could be significantly value accretive.

We believe that the short-term catalyst for the stock lies in SDL's ability to successfully finance the project using the balance sheets of significant engineering, procurement and construction companies and product offtake groups.

Company Overview

SDL is an international iron ore exploration and development company focused on building a global iron ore business through the development of its flagship Mbalam-Nabeba Iron ore project. The project is based around a group of iron ore deposits covering the border of Cameroon and the Republic of Congo in central West Africa. The Mbalam-Nabeba project is an integrated Mine, Port and Rail Project with target production capacity of 35Mtpa for a minimum of 30 years. Stage one (the first 10-13 years) will be focused on producing DSO-quality high grade hematite. The second stage of the mine life will be the continued production at 35Mtpa of Itabirite Hematite for at least a further 20 years. SDL's headquarters are based in Perth, Western Australia home to world class iron ore deposits of the Pilbara region. This allows SDL to frequently draw on the expertise of some of the world's most experienced iron ore specialists. SDL currently employs approximately 200 people across its operations in Australia & West Africa.

SDL has a 90% interest in its subsidiary company Cam Iron SA in Cameroon. Under the terms of the convention signed with the Cameroon Government in November 2012, the Government will have a 10% free carried interest pursuant to the Cameroon Mining Code and take an additional 5% loan-carried interest (where the equity requirements can be loaned to the State and then repaid with interest out of dividends) in each of the three project companies that are to be formed (Mine Co, Port Co, Rail Co).

SDL also has an 85% interest in Congo Iron SA, its subsidiary in the Republic of Congo. The Nabeba Mining Permit was awarded in February 2013 by Presidential Decree. The Congo Government has a right to a 10% interest in Congo Iron SA pursuant to the Congo Mining Code, however this is subject to change depending on the final terms agreed under the convention, which is currently being negotiated.

Background

The Mbalam-Nabeba Iron Ore Project is situated on the border of Cameroon and the Republic of Congo in central West Africa. The project will aim to mine 35Mt of iron ore per annum. In addition SDL will need to construct 510km of rail line dedicated to transport the iron ore from the Mbarga mine in Cameroon, as well as a 70km rail spur line which will connect the Nabeba mine in Congo, to the main railway to the Cameroon coast. SDL will also need to construct a new deep water iron ore export terminal at Kribi on the West coast of Cameroon. The terminal is designed to be capable of facilitating bulk iron ore carriers up to the size of 300,000 DWT.

The Mbalam-Nabeba Project life span is defined by two stages. Stage One of the project will be primarily focused on Direct Shipping Ore, this is anticipated to last for the first ten years of the project's life. The second stage of the project is expected to last a further 15+ years and will be focused on the production of high-grade Itabirite hematite concentrate. In April 2011, SDL released the results of the Definitive Feasibility Study for Stage One and the Pre-Feasibility Study for Stage Two which was a catalyst to the negotiation and finalisation of Government approvals and accords.

Figure 2: Location of the flagship Mbalam-Nabeba project

Source: Sundance Resources Limited

Geological Setting

SDL's ore reserve is currently 436.3Mt at 62.6% Fe for Stage One of the project. The ore reserve contains low impurities of 4.43% Silica, 2.55% Alumina and 0.09% Phosphorus.

The current reserve is based on a resource inventory of 775.4Mt at a grade of 57.2% Fe. This represents a conversion of only 58% of the Company's total Indicated Mineral Resources. It is a 24% increase on the previously reported Reserves figure (announced in November 2012) and enables the DSO Stage One mine life to exceed ten years.

Figure 3 is the global summary of all high grade ore reserves for the Mbalam-Nabeba Project. The updated global ore reserves consist of the high grade ore reserves from the Mbarga, Mbarga South, Nabeba, Nabeba South and Nabeba North West deposits.

Figure 3: Resource and reserve table

GLOBAL HIGH GRADE RESOURCES	Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	LOI (%)
Indicated	748.0	57.2	9.2	4.4	0.098	3.8
Inferred	27.4	57.4	15.1	3.0	0.090	1.5
Total High Grade Resources	**775.4**	**57.2**	**9.4**	**4.3**	**0.098**	**3.8**

High Grade Hematite Ore Reserves	Reserve Classification	Tonnes (Mt)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	LOI (%)
Ore Reserves Reported to ASX 24/12/2012	Probable	436.3	62.6	4.43	2.55	0.087	2.78

Source: Sundance Resources Limited

High Grade Hematite Resources

High grade hematite resources currently total 775.4Mt at 57.2% Fe. The Indicated category of the high grade resource represents 96.5% of the total which further reinforces the assurance in drilling information and subsequent mineralogical and metallurgical studies. All resources were estimated in accordance with the JORC-Code.

Itabirite Resource

The total Project Itabirite Resource base now stands at 4bt at 36.3% Fe. This massive resource underpins Stage Two of the Project, which will commence around 10 years after the first DSO materials are mined and exported. Stage Two is expected to operate for a further minimum of 15 years as defined in the Prefeasibility Study that was completed in March 2011.

SDL drilled its first exploration hole for the Mbalam Project in June 2007. The current Resource estimate now incorporates assay results from 1,192 drill holes totaling more than 167,300 metres of drilling.

The resource definition and development drilling undertaken by the Company has primarily focused on the two principal deposits at Mbarga (in the Republic of Cameroon) and Nabeba (in the Republic of Congo). However, the potential to grow total resources even further remains significant with numerous exploration targets identified for future drilling.

Feasibility Studies

In April 2011, SDL announced delivery of feasibility studies for the Mbalam-Nabeba project which consisted of a Definitive Feasibility Study (DFS) for Stage One and a Pre-Feasibility Study for Stage Two of the Project.

Stage One involved the production of 35Mtpa of high quality sinter fines iron ore material from two high-grade hematite deposits, Mbarga in the Republic of Cameroon and Nabeba in the Republic of Congo. Being a greenfields project in a relatively undeveloped location, capital expenditure was estimated at US$4.69bn due to the requirement to construct a 510km long heavy haulage railway system with a 70km rail spur to Nabeba and a deep water port facility capable of accommodating bulk iron carriers of up to 300,000 metric tonnes. A summary of the capital cost estimate is outlined in Figure 4:

Figure 4: Stage One Capital Cost Estimate

Costs (including construction indirects)	US$M
Mining, Processing and Infrastructure	914
Rail	2,019
Port	537
Subtotal	**3,471**
EPCM, Owners costs and Contingency	1,214
Total (US$M, real as at December 2010)	**4,686**

Source: Sundance Resources Limited

Because of the low waste to ore ratio of 0.9:1 and the relatively easy processing route due to the DSO nature of the hematite component of the resource/ore reserve, operating cost estimates are globally competitive at US$21.20/t.

The Stage Two PFS proposed development of a larger scale mining operation that exploited the underlying itabirite resource that will employ standard grinding and flotation to beneficiate the ore into a premium concentrate product with around 47% weight recovery to deliver 66% Fe. Stage Two was estimated to require an additional US$3.1bn of capex, produce final product for US$40/t and commence production once Stage One is completed.

Management

Mr George F Jones AM CitWA – Chairman

Mr Jones was Chairman of Sundance Resources between November 2006 and August 2009, and re-joined the Board as Chairman in July 2010. He has a comprehensive understanding of the Company and its assets.

Mr Jones has more than 35 years' experience in the mining, banking and finance industries and has been a Director of a number of private and publicly-listed companies, including Australian iron ore producer Gindalbie Metals Ltd (ASX: GBG), where he has been Chairman since 2006.

He was instrumental in overseeing the growth of Portman Mining Limited over the course of a decade, taking it from a start-up iron ore producer in the early 1990s to a 6Mtpa producer of direct shipping hematite ore with a market capitalisation of over $600m in 2005. Mr Jones has a Bachelor of Business degree from Curtin University of Western Australia.

Mr Giulio Casello - Managing Director & CEO

Mr Casello has more than 30 years' experience as a senior executive in operations, business development and corporate strategy, including national and global exposure in manufacturing environments for several blue chip organisations.

Prior to his appointment as Managing Director of Sundance in October 2010, Mr Casello held the position of Chief Operating Officer for iron ore miner Sinosteel Midwest Corporation, where he led its development from an exploration company to a producer.

He previously worked at Century Aluminium Company in the United States, where as Senior Vice President, Business Development he was responsible for developing and implementing a growth plan in aluminium, alumina and critical raw materials (carbon, bauxite, energy) and managing new projects across the globe. He has also held a number of significant positions in Alcoa spanning across 20 years, including Director of WA Operations, General Manager Alcoa World Chemicals and Kwinana Alumina Refinery Location Manager.

Mr Michael Blakiston - Non-Executive Director

Mr Blakiston is a solicitor with some 30 years of legal experience in the resources sector. He is a partner in the Perth office of Australia law firm, Gilbert + Tobin. Mr Blakiston holds Bachelor of Jurisprudence and Bachelor of Laws degrees from the University of Western Australia.

He has extensive commercial experience both in advisory and directorial capacities having been involved in project assessment, structuring and financing, joint ventures and strategic alliances in the resource industry. Gilbert + Tobin are currently engaged by Sundance Resources to provide ongoing legal advice.

Mr Blakiston has played a leading role in the negotiation and formulation of a number of key agreements relating to Sundance's Mbalam-Nabeba Iron Ore Project, and is currently involved in the negotiation of the Convention Agreements with the Congolese and Cameroon Governments.

Mr Barry Eldridge - Non-Executive Director

Mr Eldridge has over 40 years industry experience both in Australia and overseas. Following a 20-year career in the coal industry in Queensland and New South Wales, Mr Eldridge moved to Western Australia in 1988 where he has been involved in a number of management roles in the mining industry.

Most notable of these have been Project Manager for the Super Pit in Kalgoorlie, Project Manager for the development of Kanowna Belle gold mine, Managing Director of Forrestania Gold NL, Project Director for Rio Tinto's West Angelas iron ore development, Director – Major Projects for North Ltd, Managing Director of Griffin Coal Pty Ltd, Managing Director and CEO of Portman Ltd and Chairman of SNC-Lavalin Australia Pty Ltd. He is currently a Director of Cliffs Natural Resources and Chairman of Mundo Minerals Limited.

Ms Fiona Harris - Non-Executive Director

Ms Harris has extensive experience as a Non-Executive Director over the past 15 years with iron ore companies Portman Mining Ltd and Territory Resources Ltd, Alinta Limited, Burswood Limited, Evans & Tate and various other organisations.

Ms Harris is currently a member of the National Board of the Australian Institute of Company Directors (AICD) (and a former Western Australian State President of AICD), a Non-Executive Director of listed mining companies Territory Resources Limited, Altona Mining Limited, Aurora Oil & Gas Limited and several private companies.

Ms Harris was previously a Partner at Chartered Accountants, KPMG, specialising in financial services and superannuation, capital raising, due diligence, IPO's, capital structuring of transactions and litigation support.

Mr Robin Marshall - Non-Executive Director

Mr Marshall is an experienced mining executive with an impressive track record of international experience in the development and management of major resource projects.

Mr Marshall has held senior and executive positions with several global mining groups including Project Director for Vale Inco at its world-class Goro Nickel Project, Vice-President – Asset Development Projects for BHP Billiton Iron Ore, Project Manager for North Limited, Project Director with Iron Ore Company of Canada, Manager Projects for Forrestania and Project Services for Western Mining Corporation and Project Manager for Nedpac (Signet Engineering).

Mr Marshall has also spent a number of years in Africa in senior positions in both project and operational areas.

Mr David Southam - Non-Executive Director

Mr Southam has more than 20 years' experience predominantly in the resources industry but also in accounting, banking and finance.

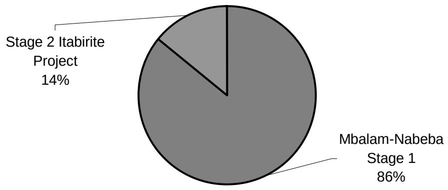
He was previously the Chief Financial Officer of Gindalbie Metals Ltd from May 2008 to November 2010 and was a Director of Karara Mining Ltd. During that time, he was responsible for completing the US$1.2 billion Karara project financing transaction and securing life-of-mine off-take contracts with consortiums out of China. Mr Southam also spent almost six years with Brambles Industries Ltd in a number of finance executive roles, including CFO of Cleanaway Industrial.

He is currently an Executive Director of Western Areas Ltd. A Certified Practicing Accountant, David has wide experience in executive and management roles, both in mining and industrial companies and has also previously held senior management positions with Australian Railroad Group, ANZ Investment Bank and WMC Resources Ltd.

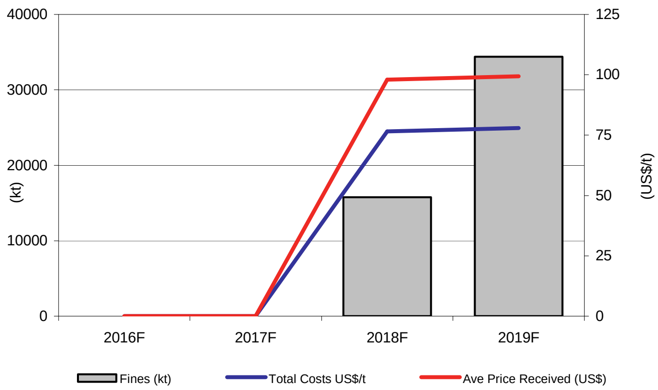
Sundance Resources Ltd $0.09

Valuation	A$m	A$/sh
Mbalam-Nabeba Stage 1	1513	0.24
Corporate	(128)	(0.02)
Unpaid Capital	0	0.00
Stage 2 Itabirite Project	252	0.04
Cash estimate	44	0.01
Debt inc. Con Notes	(50)	(0.01)
Total @ 10% Discount Rate	**1631**	**0.26**
Price Target	**1631**	**0.26**

Valuation Summary of Assets



Iron Ore Production Summary



Reserves & Resources

Hematite Reserves	Mt	% Fe	% Si
Mbarga and Mbarga South	127	63.4	5.77
Nabeba, Nabeba North West, Nabeba South	309	62.3	3.88
Total	**436**	**62.6**	**4.43**
Hematite Resources	**Mt**	**% Fe**	**% Si**
Indicated	748	57.2	9.2
Inferred	27.4	57.4	15.1
Total	**775.4**	**57.2**	**9.4**
Itabirite Resources			
Indicated	2325	38	44.4
Inferred	1722	33.9	42.5
Total	**4047**	**36.3**	**43.6**

Directors

Name	Position
George Jones	Chairman
Giulio Casello	MD & CEO
Michael Blakiston	Non-Executive Director
Barry Eldridge	Non-Executive Director
Fiona Harris	Non-Executive Director
Robin Marshall	Non-Executive Director
David Southam	Non-Executive Director

Substantial Shareholders:	Shares (m)	%
Sichuan Hanlong Group	433.8	14.1
Deutsche Bank AG	238.9	7.8
Creddit Suisse AG	201.1	6.5

			Year End
Commodity Assumptions	**2016F**	**2017F**	**2018F**
US$:A$	0.85	0.83	0.82
Iron Ore Fines (US$/t CFR)	109.51	103.57	99.19
Iron Ore Lump (US$/t CFR)	117.47	111.05	106.30

Production Summary	2016F	2017F	2018F
Mbalam-Nabeba Stage 1			
Fines (kt)	**0**	**0**	**15,750**
Op Costs (US$/t)	0	0	50
Shipping Costs (US$/t)	0	0	11
Freight differential (US$/t)	0	0	13
Royalties (US$/t)	0.0	0	2
Total Costs US$/t	**0**	**0**	**77**

Price and Forex	2016F	2017F	2018F
Ave Price Received (US$)	na	na	97.92

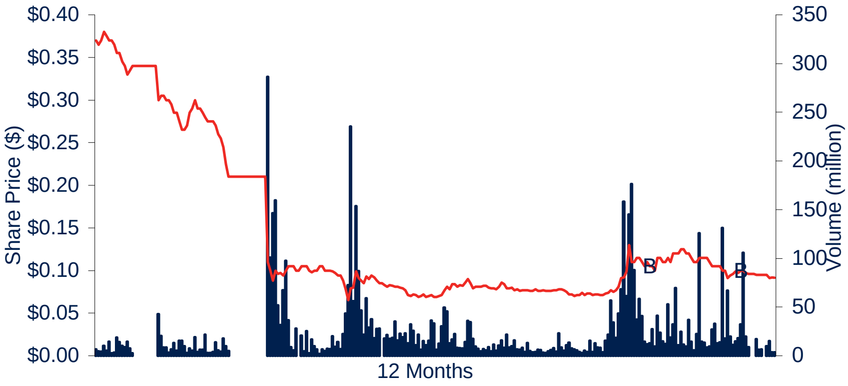
Profit & Loss (US$m)	2016F	2017F	2018F
Sales Revenue	**0.0**	**0.0**	**1179.9**
Other Income	3.2	2.7	2.5
Operating Costs	0.0	0.0	796.4
Net Forex loss / (gain)	0.0	0.0	0.0
Net Shipping Costs	0.0	0.0	125.4
Exploration Exp.	4.2	4.3	4.4
Corporate/Admin	25.2	25.7	26.2
Other expenses	0.0	0.0	0.0
EBITDA	**(26.1)**	**(27.3)**	**230.1**
Depn & Amort	0.0	0.0	45.2
EBIT	**(26.1)**	**(27.3)**	**184.9**
Interest	0.5	0.0	24.0
MRRT	0.0	0.0	0.0
Sign Items pre-tax Gain / (loss)	0.0	0.0	0.0
Operating Profit	**(26.6)**	**(27.3)**	**160.9**
Tax expense	(8.0)	(8.2)	48.3
Minorities	0.0	0.0	0.0
Sign Items post-tax Gain / (loss)	0.0	0.0	0.0
NPAT	**(18.6)**	**(19.1)**	**112.6**
Normalised NPAT	**(18.6)**	**(19.1)**	**112.6**

Cash Flow (US$m)	2016F	2017F	2018F
Adjusted Net Profit	(18.6)	(19.1)	112.6
+ Interest/Tax/Expl Exp	(3.3)	(3.9)	76.7
- Interest/Tax/Expl Inc	18.6	28.4	99.4
+ Depn/Amort	0.0	0.0	45.2
+/- Other	0.0	0.0	0.0
Operating Cashflow	**(40.6)**	**(51.4)**	**135.0**
- Capex (+asset sales)	194.0	297.3	174.5
- Working Capital Increase	0.0	(190.0)	40.0
Free Cashflow	**(234.6)**	**(158.7)**	**(79.4)**
- Dividends (ords & pref)	0.0	0.0	0.0
+ Equity raised	97.6	0.0	0.0
+ Debt drawdown (repaid)	129.5	194.3	64.8
Net Change in Cash	**(7.5)**	**35.5**	**(14.7)**
Cash at End Period	89.8	125.3	110.6
Net Cash/(Debt)	(269.6)	(428.3)	(507.7)

Balance Sheet (US$m)	2016F	2017F	2018F
Cash	89.8	125.3	110.6
Total Assets	895.5	1070.7	1248.0
Total Debt	359.4	553.6	618.4
Total Liabilities	411.4	605.7	670.4
Shareholders Funds	484.1	465.0	577.6

Ratios	2016F	2017F	2018F
Net Debt/Equity (%)	55.7	92.1	87.9
Interest Cover (x)	na	na	7.7
Return on Equity (%)	na	na	19.5

Recommendation History



Date	Type	Target Price	Share Price	Recommendation	Return
31 Oct 13	Research Note	0.25	0.11	B	
19 Dec 13	Event Impact Email	0.25	0.10	B	-9.1%
	Current Share Price		0.09		-8.5%

Stock recommendations: Investment ratings are a function of Patersons expectation of total return (forecast price appreciation plus dividend yield) within the next 12 months. The investment ratings are Buy (expected total return of 10% or more), Hold (-10% to +10% total return) and Sell (> 10% negative total return). In addition we have a Speculative Buy rating covering higher risk stocks that may not be of investment grade due to low market capitalisation, high debt levels, or significant risks in the business model. Investment ratings are determined at the time of initiation of coverage, or a change in target price. At other times the expected total return may fall outside of these ranges because of price movements and/or volatility. Such interim deviations from specified ranges will be permitted but will become subject to review by Research Management. This Document is not to be passed on to any third party without our prior written consent.

PATERSONS
THE AUSTRALIAN STOCKBROKER

1300 582 256
patersons@psl.com.au
www.psl.com.au

Research

Rob Brierley – Head of Research	Phone: (+61 8) 9263 1611	Email: rbrierley@psl.com.au
Tony Farnham – Economist	Phone: (+61 2) 9258 8973	Email: tfarnham@psl.com.au
Andrew Quin – Research Strategy Coordinator	Phone: (+61 8) 9263 1152	Email: aquin@psl.com.au
Kien Trinh – Senior Quantitative Analyst	Phone: (+61 3) 9242 4027	Email: ktrinh@psl.com.au

Metals and Mining

Tim McCormack – Resources Analyst	Phone: (+61 8) 9263 1647	Email: tmccormack@psl.com.au
Simon Tonkin – Senior Resources Analyst	Phone: (+61 8) 9225 2816	Email: stonkin@psl.com.au
Matthew Trivett – Research Analyst	Phone: (+61 7) 3737 8053	Email: mtrivett@psl.com.au

Oil and Gas

Alexis Clark – Oil and Gas Analyst	Phone: (+61 3) 9224 4448	Email: aclark@psl.com.au

Industrials

Digby Gilmour – Industrial Analyst	Phone: (+61 8) 9263 1664	Email: dgilmour@psl.com.au
Marcus Hamilton – Industrial Analyst	Phone: (+61 8) 9225 2836	Email: mhamilton@psl.com.au
Ben Kakoschke – Industrial Analyst	Phone: (+61 3) 9242 4181	Email: bkakoschke@psl.com.au

Institutional Dealing

Dan Bahen	Phone: (+61 8) 9263 1274	Email: dbahen@psl.com.au
Michael Brindal	Phone: (+61 8) 9263 1186	Email: mbrindal@psl.com.au
Artie Damaa	Phone: (+61 2) 8238 6215	Email: adamaa@psl.com.au
Paul Doherty	Phone: (+61 3) 8803 0108	Email: pdoherty@psl.com.au
Trent Foxe	Phone: (+61 2) 8238 6265	Email: tfoxe@psl.com.au
Peter Graham	Phone: (+61 3) 9242 4129	Email: pgraham@psl.com.au
Chris Kelly	Phone: (+61 3) 9242 4078	Email: ckelly@psl.com.au
Steven Kestel	Phone: (+61 8) 9263 1631	Email: skestel@psl.com.au
Jeremy Nugara	Phone: (+61 3) 8803 0166	Email: jnugara@psl.com.au
Phil Schofield	Phone: (+61 2) 8238 6223	Email: pschofield@psl.com.au
Josh Welch	Phone: (+61 8) 9263 1668	Email: jwelch@psl.com.au
Rob Willis	Phone: (+61 7) 3737 8021	Email: rwillis@psl.com.au
Sandy Wylie	Phone: (+61 8) 9263 1232	Email: swylie@psl.com.au

Disclaimer: Patersons believes that the information or advice (including any financial product advice) contained in this report has been obtained from sources that are accurate at the time of issue, but it has not independently checked or verified that information and as such does not warrant its accuracy or reliability. Except to the extent that liability cannot be excluded, Patersons accepts no liability or responsibility for any direct or indirect loss or damage caused by any error in or omission from this report. You should make and rely on your own independent inquiries. If not specifically disclosed otherwise, investors should assume that Patersons is seeking or will seek corporate finance business from the companies disclosed in this report.

Warning: This report is intended to provide general securities advice, and does not purport to make any recommendation that any securities transaction is appropriate to your particular investment objectives, financial situation or particular needs. Prior to making any investment decision, you should assess, or seek advice from your adviser, on whether any relevant part of this report is appropriate to your individual financial circumstances and investment objectives.

Disclosure: Patersons, its director and/or employees may earn brokerage, fees, commissions and other benefits as a result of a transaction arising from any advice mentioned in this report. Patersons as principal, its directors and/or employees and their associates may hold securities in the companies the subject of this report, as at the date of publication. These interests did not influence Patersons in giving the advice contained in this report. Details of any interests may be obtained from your adviser. Patersons as principal, its directors and/or employees and their associates may trade in these securities in a manner which may be contrary to recommendations given by an authorised representative of Patersons to clients. They may sell shares the subject of a general 'Buy' recommendation, or buy shares the subject of a general 'Sell' recommendation.

Stock recommendations: Investment ratings are a function of Patersons expectation of total return (forecast price appreciation plus dividend yield) within the next 12 months. The investment ratings are Buy (expected total return of 10% or more), Hold (-10% to +10% total return) and Sell (> 10% negative total return). In addition we have a Speculative Buy rating covering higher risk stocks that may not be of investment grade due to low market capitalisation, high debt levels, or significant risks in the business model. Investment ratings are determined at the time of initiation of coverage, or a change in target price. At other times the expected total return may fall outside of these ranges because of price movements and/or volatility. Such interim deviations from specified ranges will be permitted but will become subject to review by Research Management. This Document is not to be passed on to any third party without our prior written consent.

Patersons Securities Limited   ABN 69 008 896 311 AFSL 239 052

The Authorising Licensee, Patersons Securities Limited, is a Participant of ASX Group; Participant of NSX; Participant of Chi-X Australia; Stockbrokers Association of Australia Principal Member.