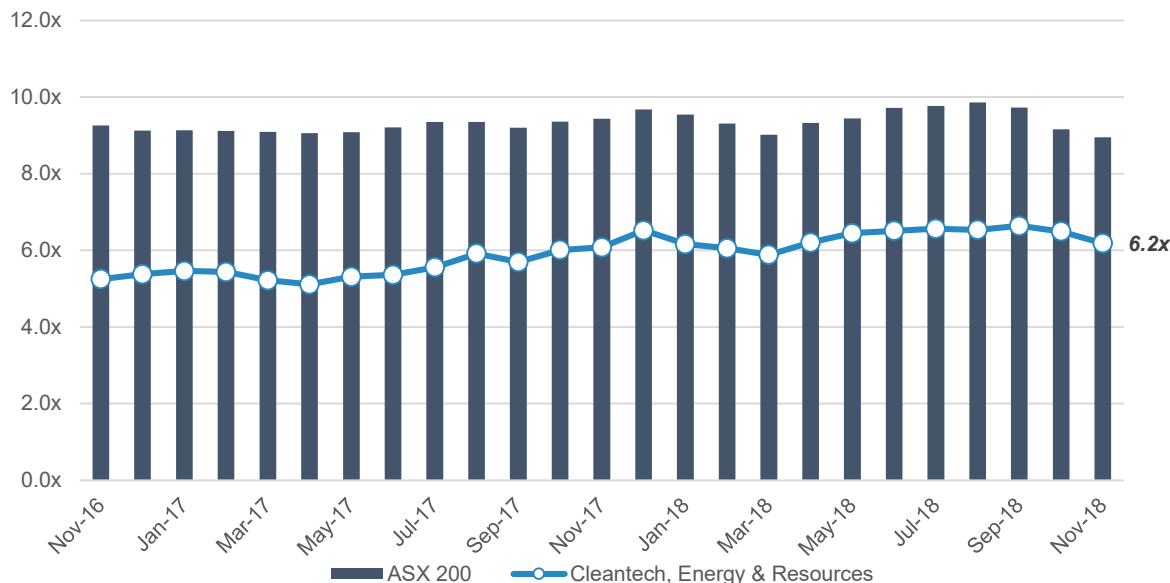


VALUATION MULTIPLES

Forward EV / EBITDA Multiples (monthly to 30/11/2018) Source: FactSet Research Systems Inc.

Multiples in the Cleantech, Energy & Resources sector have decreased over the period. At the end of November, the sector traded on a forward EV / EBITDA multiple of 6.2x, compared to the ASX200 on 9.0x.



Average Values and Trading Multiples (values as at 17/12/2018) Source: FactSet Research Systems Inc.

Subsector	Enterprise Value (\$m)	EV/EBITDA FY2019	EV/EBIT FY2019	Price / Earnings FY2019
Energy & Utilities	66,515	8.0x	13.2x	16.9x
Environmental Services	7,240	8.5x	13.4x	19.2x
Metals & Mining	196,013	5.4x	9.0x	13.7x
Natural Resources	299	8.3x	9.9x	12.3x
Oil & Gas	62,383	5.3x	8.0x	13.0x
Cleantech, Energy & Resources	332,449	6.1x	9.8x	14.5x

Note: Multiples are based on the forward year of the unreported period, which for the majority of companies in the sector is FY2019. Difference in forward EV/EBITDA multiples between Figure and Table are representative of the timing difference between month-end result, and current day result.

¹ The InterFinancial Cleantech, Energy & Resources Index set is an unweighted index comprising Cleantech, Energy & Resources sector related companies trading on the Australian Securities Exchange (ASX). Estimates are sourced from FactSet Research Systems Inc.

MERGER & ACQUISITION NEWS...



Value: \$25m

Australian gold producer, **Tribune Resources Limited** announced it has acquired 100% of the Singapore based **Prometheus Developments Pte Ltd** (Prometheus) via the issue of 5.5 million shares in the Company for a total consideration of \$24.75m. As part of the transaction, **Prometheus** has the right to acquire an 80% economic interest and 40% legal interest in three mining tenements covering the **Diwalwal Gold Project**.



Value: \$161.7m, EV / EBITDA: 7.4x

Service Stream Ltd. has entered into a binding agreement to acquire **Comdain Infrastructure Pty Ltd.**, a provider of engineering and asset management services to the gas and water utility sectors in the Australian eastern states, for \$161.7m. The agreed purchase price equates to an attractive FY19F EV/EBITDA multiple of 7.4x, with \$93.7m payable in cash at completion and \$68.0m of scrip payable at completion in **Service Stream** ordinary shares.



Value: \$25m

Intermin Resources Ltd. and **MacPhersons Resources Ltd.** have executed a merger implementation agreement to progress the proposed combination of the two companies through a Scheme of Arrangement. **Intermin Resources** intends to offer 1 **Intermin** share for every 1.8227 **MacPhersons Resources** shares held, valuing **MacPhersons** at about \$0.0825 per share or \$25m for the entire company.



GrainCorp

Value: \$3.3bn

GrainCorp is understood to have agreed terms for due diligence with its suitor **Long Term Asset Partners**, which offered a \$3.3 billion bid for the company. Both parties had been negotiating the terms of the due diligence and it is understood they have overcome an impasse. The **LTAP** proposal involves an acquisition, via a scheme of arrangement, of 100% of the shares in **GrainCorp** for cash consideration of \$10.42 per share.

DRILLING FOR DEALS...

- **Australia Pacific LNG** is likely to buy **Origin Energy's** Ironbark project. The deal is anticipated to value Ironbark at \$230m to \$240m.
- The Chilean-based **Sigdo Koppers** is thought to be in discussions to acquire **Downer Group's** mining division. **Downer** could be keen to sell the mining division so that investors will treat it more as an engineering and infrastructure services business. **Downer's** mining division has annual turnover of \$1bn.
- **Yanzhou Coal** is likely to sell part of its majority stake in **Yancoal**. **Yancoal** CEO Reinhold Schmidt, said that **Yanzhou** is prepared to change its investment and will sell to the right party for the right price. **Yanzhou** owns 65.5% of **Yancoal** which has a market capitalization of \$4.4bn.
- Malaysia's **Malakoff Corporation** will sell its 50% stake in the **Macarthur Wind Farm**, Australia's largest wind farm. The vendors have not yet formally launched a sale process but this is expected to get underway in 2019. The stake is likely to be valued at over \$500m.
- **Watpac** confirmed that it is in the process of negotiating with a prospective party in relation to the sale of **Watpac Civil & Mining Pty Ltd**. **Remagen Capital**, a Sydney, Australia-based investment firm, is thought to be interested in the **Watpac** unit. Due diligence is currently being undertaken.
- **Pure Alumina Limited** has signed a nonbinding term sheet which contemplates exclusive negotiation of terms for the acquisition of 100% of Toronto-based high purity alumina (HPA) producer **Polar Sapphire**. Both parties have committed to work towards agreeing formal terms of a potential transaction on or before 31 January 2019.

DRILLING FOR DEALS...

- **Carnegie Clean Energy** announced that it has terminated the sale of **Energy Made Clean (EMC)** to **Tag Pacific Limited (TAG)**. Nevertheless, Carnegie considers other M&A opportunities for the asset (valued at \$13m).
- **Ramelius Resources** announced that it has decided not to proceed with its indicative, non-binding and incomplete takeover proposal for **Explaurum**. The decision came following its confirmatory due diligence investigations and continued commercial discussions.
- **Stanmore Coal** has rejected the takeover offer made by **Golden Energy and Resources**. The company sees the \$0.95 per share offer as undervaluing its corporate value. Stanmore Coal shares were recently traded at \$0.99, with a market capitalization of \$250.3m.
- **Albemarle Corporation**, a North Carolina-based chemicals industry producer, has signed an exclusivity agreement with an Australian miner, **Mineral Resources Limited** for a potential 50/50 joint venture to develop an integrated lithium hydroxide operation in Wodgina.

CONTACT DETAILS

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