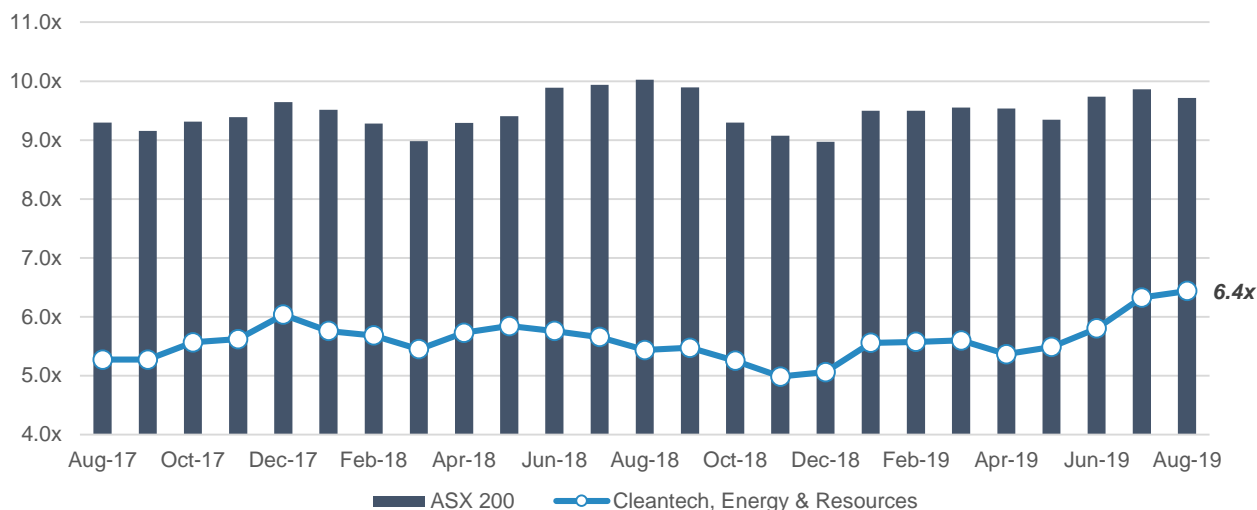


VALUATION MULTIPLES

Forward EV / EBITDA Multiples (monthly to 31/08/2019) Source: FactSet Research Systems Inc.

Multiples in the Cleantech, Energy & Resources sector have increased over the period. At the end of August, the sector traded on a forward EV / EBITDA multiple of 6.4x, compared to the ASX200 on 9.7x.



Average Values and Trading Multiples (monthly to 25/09/2019) Source: FactSet Research Systems Inc.

| Subsector | Enterprise Value (\$ m) | EV/EBITDA FY2020 | EV/EBIT FY2020 | Price / Earnings FY2020 |
|--|-------------------------|------------------|----------------|-------------------------|
| Energy & Utilities | 72,810 | 8.9x | 14.3x | 19.2x |
| Environmental Services | 8,628 | 8.5x | 14.4x | 21.0x |
| Metals & Mining | 275,337 | 5.4x | 8.4x | 12.7x |
| Natural Resources | 257 | 6.3x | 8.1x | 10.6x |
| Oil & Gas | 60,598 | 5.2x | 8.0x | 11.8x |
| Cleantech, Energy & Resources | 417,630 | 6.3x | 9.9x | 14.3x |

Note: Multiples are based on the forward year of the unreported period, which for the majority of companies in the sector is FY2020. 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: Undisclosed

AuStar Gold Limited has reached agreement with the administrator to **Centennial Mining**, to acquire a 100% ownership of the company.



Value: \$66m

Photon Energy, the Netherlands-registered solar power company, has agreed to sell its 25% stake in Australia's **Gunnedah Solar Farm** to **Canadian Solar Inc.** Financial terms of the transaction were not disclosed. The transaction is expected to be completed in 4Q2019.



Value: Undisclosed

Macquarie Infrastructure Partners II has agreed to sell a portfolio of landfill gas-to-energy generation assets in the US to Australian **Energy Developments Limited (EDL)**. The portfolio comprises two facilities near Brea, California, and two in Johnston, Rhode Island.



Value: \$243m

Northern Star Resources, which holds a 21.7% stake in **Echo Resources**, will acquire all the remaining **Echo Resources** shares for AUD 0.33 per share. The acquisition of **Echo** will allow **Northern Star** to consolidate the mineralization at the Yandal Gold Project.



Value: \$25m

Duketon Mining Limited has entered into and completed on a binding Sale Agreement with **Regis Resources Limited** to sell a package of tenements from the Duketon Project for a total cash consideration of AUD 25m.



Value: USD 72m

Whitehaven Coal has entered into a binding agreement to acquire **EDF Trading Australia** for a total consideration of USD 72m. **EDF Trading Australia** owned a 7.5% interest in the Whitehaven-operated Narrabri Mine and Whitehaven will own 77.5% of the mine following completion.



Value: \$20m

Cazaly Resources has signed and agreed to commercial terms with **Mineral Resources** to sell the Parker Range Iron Ore Project for a cash consideration of AUD 20m. Following the receipt of an unsolicited proposal from **Mineral Resources** to purchase the Parker Range Iron Ore Project, **Cazaly Resources** terminated the exclusivity period with **Gold Valley Iron** under its conditional agreement with Gold Valley announced on 11 June 2019.

DRILLING FOR DEALS...

- **Pacific Energy** has received a matching letter from **QIC Private Capital** for a revised offer to acquire 100% of the shares in **Pacific Energy** for AUD 1.085 per share, the same offer price presented in another takeover proposal made by the consortium of **OPTrust** and **Infrastructure Capital Group**.
- **Bounty Mining's** independent board committee has concluded that the latest funding proposal from **Qcoal**, announced on 11 September, is not superior to the recapitalisation and funding proposal made earlier by **Amaroo Blackdown Investments**.
- **Minbos Resources**, the Western Australia-based mining company, would down the line consider bolt-on acquisitions to build critical mass with either its phosphate or rare earth interests.
- **Force Commodities**, formerly called Sovereign Gold, may consider selling its non-core lithium assets to help fund its Tshipala lead-silver project in Malawi.
- **BlackEarth Minerals**, the newly listed emerging graphite miner, has been engaging prospective debt providers and offtake partners regarding funding for its Maniry project in Madagascar.
- **Santos**, an Australian-based oil and gas producer, is said to be in talks to buy **ConocoPhillips'** Northern Territory assets.
- **Xuchen International**, a subsidiary of **Chengtun Mining Co.**, failed to gain Chinese regulatory approval for its plan to acquire all the issued shares of the Australia-based minerals company, **Nzuri Copper**.
- **K2Fly**, a Perth, Australian-based mining and digital consultancy business, is in a position to look at acquisitions or strategic partnerships to further grow the company.
- The board of **Pilbara Minerals** has elected not to pursue the minority sale process with any potential partner for the **Pilgarrangoo mining project** at this stage.
- **Spark Infrastructure**, the Australian-based utility infrastructure company, is planning to grow through disciplined acquisitions.
- **Mitchell Services**, an Australian provider of drilling services to the mining and energy industries, announced it will consider acquisition opportunities. The company could use debt to finance M&A and would consider an equity raise as well in the case of a larger transaction. **Mitchell Services** has a market cap of AUD 105m.
- **LLF Technologies**, a privately held Australian-founded company, is seeking EUR 5m to commercialise its proprietary **Enruption** technology that converts mixed waste into clean energy.
- **Caltex**, an Australian fuel retailer, is selling a portfolio of around 25 service stations for around AUD 120m.
- **Royal Dutch Shell's** AUD 617m offer for **ERM Power** could open the door for additional deals in Australia's energy space.
- **BHP** is expected to avoid selling its thermal coal assets to a private equity group.
- **Wesfarmers** has decided to drop its bid to acquire **Lynas Corporation**, even though the Australian rare-earths miner gained renewal of its Lynas Malaysia operating license.
- **MMG**, an Australian unit of Chinese state-owned mining group, **China Minmetals Corp**, is seeking acquisition opportunities.
- **South32**, an Australian-based miner, has entered into exclusive negotiations with South African-based miner, **Seriti Resources**, to sell its **South Africa Energy Coal** business.
- **Mount Gibson Iron**, the Australian-based iron ore miner, is continuing to search for acquisition and growth opportunities.
- Urgent expressions of interest for **Prosun Solar**, an Australian wholesale distributor of solar panels and systems, are being sought after.
- Expressions of interest for the purchase of **MRS Services Group**, an Australian-based mining services, labour hire and mining support business are being sought.
- **Santos'** largest shareholder **ENN** is anticipated to sell down its stake in the company. Brokers are known to be in talks with hedge funds and other possible backers of an AUD 500m+ block trade that would be sparked by **ENN**.
- **Havilah Resources**, an Australian exploration and mining company, announced that the proposed investment of up to USD 100m by **OneSteel Manufacturing** was not approved by its shareholders at the EGM. The proposed USD 5m pro-rata rights issue at a discount to USD 0.154 will not be carried out.

CONTACT DETAILS

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