



On the Move

Western Australian
growth report

December 2011

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Western Australian growth report

Review of fast performing Western Australian (WA) companies listed on the Australian Securities Exchange (ASX).

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2011, 2010 and 2009



Executive summary



As market volatility becomes the new normal, *On the Move* looks at the changing benchmarks of success set by Western Australia's fastest movers to measure their performance. In this review, based on interviews with the Chief Executives of the State's top growth businesses over the last four years, we review the way WA's most vibrant ASX listed companies have adapted their measures of success since the GFC.

Since the beginning of 2007, *On the Move* has chronicled the trends behind the most rapidly growing ASX listed companies with a head office in Western Australia. In the process, we have recorded the way successful companies first managed the uncertainty and then adapted to the aftermath of a seismic shift in the local and global business landscape.

When we first sat down to interview the Chief Executive Officers (CEOs) of WA's fastest movers, the global economy was expected to grow strongly in 2007 and beyond. Leading analysts, including the IMF, Reuters, Bloomberg and ABARE were still projecting positive outlooks. Credit was cheap and abundant, gearing ratios were high, and the share markets were delivering steady, dependable growth.

Within months, the GFC was upon us, and WA, Australia and the world began the roller coaster ride that is still continuing today. The banks effectively slammed their doors, leaving those with over-gearred balance sheets hanging out to dry. Those prudent, or lucky, enough to be without debt or little debt hunkered down to ride out the storm - only to realise there were no signs of it blowing over any time soon.

At this point, strong corporate leadership came to the fore.

As our interviews with those still in the driving seat in Western Australia have revealed, WA's fastest movers responded rapidly to the threat posed by the GFC and the resulting rapid decline in commodity markets and continuing uncertainty. The CEOs we have spoken to over the last few years have substantially reduced their cash expenditure and moved quickly to optimise production and operations and strengthen their balance sheets still further. Many are also putting great effort into securing higher quality customers - with one company actually halving its customer base in favour of strong, reputable organisations.

As a result, some WA companies continued to deliver remarkable growth - doing exceptionally well no matter how difficult trading conditions became. And, although many were riding the second resources boom, others were not. Over the last four years, WA's top growth lists have not only been miners, but have included telcos, higher education institutions, pharmaceuticals, hospitality companies and property managers. And not every resources company has done well.

Those returning to the top growth lists again and again have several things in common. Their success has come from taking a truly long-term - and often global - view, and from a holistic approach that values relationships, culture and perseverance. They are also highly disciplined, with clear financial goals and multiple business performance metrics to help them steer a path towards sustained, continuous growth.

As this report reveals, in a world of share price volatility and continuing uncertainty, these WA companies have adopted new benchmarks for their success. We hope you find the following review of their changing approach interesting and useful.



Peter McIver
Partner
Entrepreneur Of The Year, Western Region Director
Strategic Growth Markets, National Leader

Measuring organisational, not market, success

WA's fastest movers have adapted their measures of success to match the true drivers of organisational resilience.

Prior to the GFC, many high growth listed companies were content to use their share price as a useful measure of success. Most were confident that market forces were more than capable of measuring the value in their businesses.

“Total shareholder return is the ultimate measure.”*

In 2007, despite operating in a diverse range of global and local markets, the CEOs of WA's fastest moving mining and industrials shared a strikingly similar strategic approach to measuring success. Their overarching policy was to benchmark all decisions against the principle of providing satisfactory return to shareholders.

For many of these companies, Total Shareholder Return (TSR) - usually over five to ten years - was their key measures of success. Many of them also had an earning per share and/or return on equity benchmarks of being in the top quintile of performance for major Australian listed companies on at least a five year basis. And all benchmarked rigorously against their peers.

For prospecting miners, not yet in production, this was particularly important. Without cashflow or operating profits, their main barometer was to measure success by comparing their share price to their industry peer group.

But, when the share markets failed to calm down, and volatility became business as usual, leading CEOs began to refocus around a new set of metrics. They found that TSR loses its short-term focusing power when your share price graph looks like a Rorschach test.

Previously aware of the danger of confusing a bull commodities market with genuine organisational achievement, they now confronted the flip side of the coin: a market where a short-term plunge in their share price did not necessarily indicate they were going in the wrong direction.

Thus, while return on capital (ROC) and EPS still remained important long-term (three, five and ten year) targets for these corporate leaders, they also recognised that - in the post-GFC landscape - growth businesses almost inevitably hit valuation 'speed bumps' and measures such as market based ones like TSR become less relevant.

To retain a balanced view of short-term success, they began to set great store in non-financial, but business-critical measures.

“Our longer term success will be measured on meeting our key project development targets and timelines.”*

The following are just some of the many measures our featured companies have used to try to strip out the influence of market volatility and drill down to true to medium and long-term measures of success:

- ▶ Meeting exploration or shipping targets
- ▶ On time, on budget project delivery
- ▶ Fund raising success
- ▶ Staff retention
- ▶ Morale levels
- ▶ Producing tonnes in line with costs and forecasts
- ▶ Employee health and safety
- ▶ Employee training
- ▶ Performance against plan
- ▶ Balance sheet strength
- ▶ Cost reduction success
- ▶ Becoming a supplier of choice
- ▶ Customer satisfaction

“Normal metrics are not as relevant.”*

* Quotes made by CEOs during the interview process



In terms of this last point, customer focus has become increasingly important in the way these high growth companies measure their success. Today, many are being guided by a customer advocacy Net Promoter Score (NPS) as well as more traditional financial KPIs such as EBITDA and NPAT.

For example, fast moving telco iiNet uses NPS as its primary forward indicator. iiNet measure NPS on every contact with its customers, receiving over 1,000 survey responses per day. NPS is seen as a great pulse check on the business, but it also has serious financial implications. iiNet has found that NPS is tightly correlated to customer churn, so it is a powerful lead indicator. As a result, every person in the business has an at risk component attached to NPS. In addition, frontline staff are no longer measured on average handle time or transactions per hour, but on the true measure of success: customer feedback.

“We measure our success by the level of our customers’ satisfaction.”*

Strategies for long-term sustainability

When it comes to the top movers in the first six months of 2011 - the vast majority of whom operate in the mining and resources sector - despite the current market uncertainty, most companies have aggressive three year growth plans, including project and asset acquisitions and geographic expansion.

For example, mining and resources service provider, NRW Holdings, intends to expand its influence in Queensland and is looking at several target opportunities in the oil and gas sector, including Chevron’s Wheatstone project, and Woodside Petroleum’s Browse project.

Similarly, iron ore miner and explorer, Atlas Iron Limited, has agreed to make an off-market takeover bid for 100% of FerrAus Ltd. At the same time, Aurora Oil & Gas Limited is pursuing opportunities with the Eagle Ford Shale to increase its acreage portfolio.

Meanwhile, property developer, United Overseas Australia, has long-term plans to capitalise on its development and management expertise to expand into Singapore, Vietnam and Australia.

But these growth plans are being executed in a disciplined way, with CEOs planning to maintain low gearing, improve capital management and remain extremely disciplined around understanding, setting and meeting their defined measures of success.

These companies are well funded, and focused on improving their debt positions still further. Some, like Iluka Resources Limited, are planning to pay down more debt.

It seems that, even in a strong WA market, where corporates are sufficiently confident to have ambitious growth plans, the ongoing volatility means financial discipline, consistency and focus are essential for success. To remain in the WA fast growth lists, companies need to do much more than rise with commodity prices. In the following six months we expect to see an even greater divergence between the market leaders with real discipline and the rest of the pack still relying on ‘gut’ feel.

Top 20 Western Australian growth companies by dollar value

January 2011 to 30 June 2011

ASX listed companies with a head office in Western Australia achieving exceptionally strong market capitalisation growth in Australian dollar terms from 1 January 2011 to 30 June 2011.

ASX code	Company name	31 Dec 2010 market cap	30 Jun 2011 market cap	\$ Difference	(%) Difference
ILU	Iluka Resources Limited	\$3,826,922,725	\$6,678,273,246	\$2,851,350,521	74.51%
SWM	Seven West Media Limited ¹	\$0	\$2,423,001,759	\$2,423,001,759	0.00%
AGO	Atlas Iron Limited	\$1,613,523,501	\$2,948,431,376	\$1,334,907,875	82.73%
AQG	Alacer Gold Corp	\$0*	\$553,298,544	\$553,298,544	0.00%
AUT	Aurora Oil & Gas Limited	\$851,284,810	\$1,360,752,938	\$509,468,128	59.85%
KRL	Kangaroo Resources Limited	\$160,298,350	\$635,369,552	\$475,071,202	296.37%
WNI	Wah Nam International Holdings Limited	\$0*	\$401,656,224	\$401,656,224	0.00%
ALK	Alkane Resources Ltd	\$249,028,158	\$548,817,442	\$299,789,284	120.38%
GNG	GR Engineering Services Limited	\$0*	\$292,500,000	\$292,500,000	0.00%
SRQ	Straits Resources Limited	\$0*	\$256,478,041	\$256,478,041	0.00%
RRS	Range Resources Limited	\$145,784,866	\$376,477,161	\$230,692,295	158.24%
FRS	FerrAus Limited	\$0*	\$214,654,765	\$214,654,765	0.00%
BTU	Bathurst Resources Limited	\$453,471,802	\$666,807,997	\$213,336,195	47.05%
NWH	NRW Holdings Limited	\$542,641,680	\$747,419,869	\$204,778,189	37.74%
BWP	Bunnings Warehouse Property Trust	\$747,324,630	\$941,223,155	\$193,898,525	25.95%
UOS	United Overseas Australia Limited	\$317,293,660	\$504,786,565	\$187,492,905	59.09%
SLP	Sylvania Platinum Limited	\$0*	\$175,137,846	\$175,137,846	0.00%
BGG	Blackgold International Holdings Limited	\$0*	\$171,000,000	\$171,000,000	0.00%
ASL	Ausdrill Limited	\$814,785,111	\$976,706,155	\$161,921,044	19.87%
SSN	Samson Oil & Gas Limited	\$108,198,230	\$233,224,232	\$125,026,002	115.55%

*Market capitalisation date unavailable on Morningstar data analysis as at 31 December 2010

¹ Previously listed as Western Australian newspapers prior to merge

Top 20 Western Australian growth companies by percentage difference

January 2011 to 30 June 2011

ASX listed companies with a head office in Western Australia achieving exceptionally strong market capitalisation growth in percentage terms from 1 January 2011 to 30 June 2011.

ASX code	Company name	31 Dec 2010 market cap	30 Jun 2011 market cap	\$ Difference	(%) Difference
CZR	Coziron Resources Limited	\$2,490,525	\$14,088,683	\$11,598,158	465.69%
AXZ	Amex Resources Limited	\$14,917,500	\$81,536,000	\$66,618,500	446.58%
EMR	Emerald Oil & Gas NL	\$5,946,682	\$30,929,186	\$24,982,504	420.11%
EIO	Energio Limited	\$7,808,627	\$40,275,737	\$32,467,110	415.79%
EYE	Eagle Eye Metals Limited	\$1,980,450	\$9,852,223	\$7,871,773	397.47%
RMP	Red Emperor Resources NL	\$11,399,336	\$50,983,720	\$39,584,384	347.25%
GCY	Gascoyne Resources Limited	\$5,312,689	\$22,350,455	\$17,037,766	320.70%
KRL	Kangaroo Resources Limited	\$160,298,350	\$635,369,552	\$475,071,202	296.37%
CEO	C @ Limited	\$12,927,402	\$49,496,259	\$36,568,857	282.88%
NEN	Neon Energy Limited	\$45,359,254	\$161,546,695	\$116,187,441	256.15%
SSC	Sultan Corporation Limited	\$6,912,471	\$24,559,194	\$17,646,723	255.29%
KOG	Kilgore Oil & Gas Limited	\$1,570,800	\$5,392,012	\$3,821,212	243.27%
HDG	Hodges Resources Limited	\$8,760,495	\$29,193,071	\$20,432,576	233.24%
CVR	Civil Resources Ltd	\$8,566,898	\$26,926,526	\$18,359,628	214.31%
MOO	Monto Minerals Ltd	\$7,405,857	\$22,163,692	\$14,757,835	199.27%
NTR	NT Resources Limited	\$4,337,329	\$12,942,105	\$8,604,776	198.39%
TLZ	Telezon Limited	\$1,407,600	\$4,170,666	\$2,763,066	196.30%
AYN	Alcyone Resources Limited	\$38,537,676	\$111,865,651	\$73,327,975	190.28%
QSS	Questus Limited	\$1,617,068	\$4,446,937	\$2,829,869	175.00%
BOD	bioMD Limited	\$3,871,028	\$10,630,259	\$6,759,231	174.61%
MYG	Mutiny Gold Limited	\$4,876,664	\$49,328,952	\$44,452,288	911.53%
KAS	Kasbah Resources Limited	\$13,098,000	\$126,809,408	\$113,711,408	868.16%

Feature companies

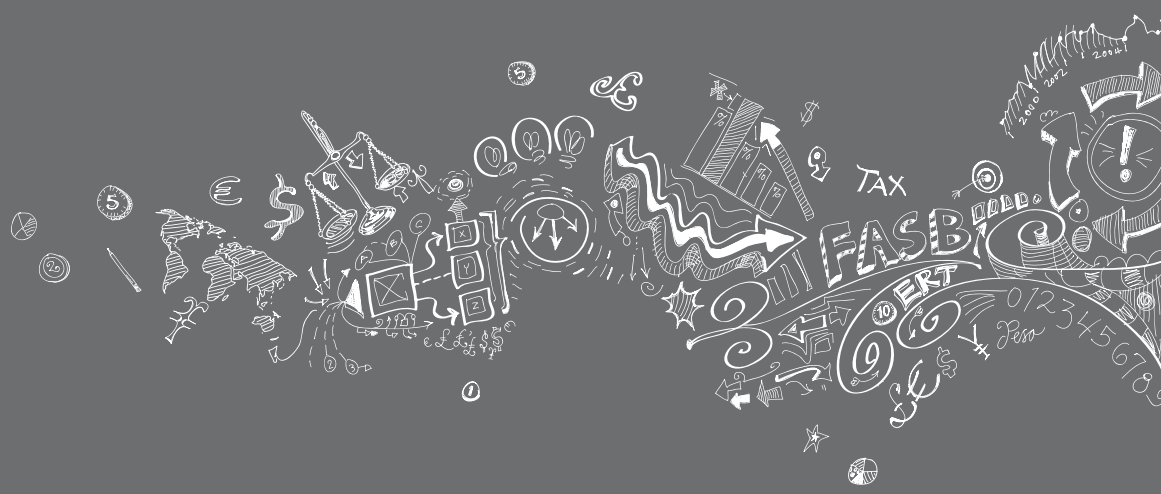
Top 10 Western Australian growth companies by market capitalisation for the six months January 2011 to June 2011

Table is based on companies achieving growth greater than \$150,000,000 and increase in market capitalisation of 25%.

ASX code	Company name	31 Dec 2010 market cap	30 Jun 2011 market cap	\$ Difference	(%) Difference
ILU	Iluka Resources Limited	\$3,826,922,725	\$6,678,273,246	\$2,851,350,521	74.51%
AGO	Atlas Iron Limited	\$1,613,523,501	\$2,948,431,376	\$1,334,907,875	82.73%
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UOS	United Overseas Australia Limited	\$317,293,660	\$504,786,565	\$187,492,905	59.09%

Top Western Australian growth companies by market capitalisation for the six months January 2011 to June 2011

- ▶ Iluka Resources Limited
- ▶ Atlas Iron Limited
- ▶ Aurora Oil & Gas Limited
- ▶ Kangaroo Resources Limited
- ▶ Alkane Resources Ltd
- ▶ Range Resources Limited
- ▶ Bathurst Resources Limited
- ▶ NRW Holdings Limited
- ▶ BWP Trust
- ▶ United Overseas Australia Limited





Iluka Resources Limited

Iluka Resources Ltd (Iluka) is the world's largest producer of zircon making up one third of market share. It is also the second largest producer of titanium dioxide. Within this sector, Iluka is the largest global producer of the higher value titanium dioxide products of rutile and synthetic rutile.

Review of operations

The Company's principal interests are located in Australia. Mining and processing operations exist in Victoria and South Australia with processing and ilmenite upgrading (synthetic rutile) operations in Western Australia, while on an international scale, the Company owns mining and processing operations in Virginia, United States.

The Company also holds major exploration tenements in South Australia, Victoria and New South Wales. In addition to this, Iluka also owns a "life of mine" royalty over sales revenue from iron ore produced specific BHP Billiton's Mining Area C (MAC) province in the north west of Western Australia.

Iluka employs approximately 900 people across its operations in Australia and the US, with the Head Office situated in Perth, Western Australia.

Over recent years, the Company has renewed its business strategy by focusing its operations on the Murray Basin Project (Victoria and New South Wales) as well as the Eucla Basin (South Australia), transforming its asset base from its historical reliance in Western Australia.

Growth

Iluka's market capitalisation increased for the six months period by 75% (\$2,851.4 million) from \$3,826.9 million at 31 December 2010 to \$6,678.3 million at 30 June 2011.

The initial increase was triggered by the announcement of its Full Year Results to 31 December 2010, where Iluka reported earnings after tax (NPAT) of \$36.1 million, an astonishing turnaround from its net loss of \$82.4 million in 2009.

In conjunction with higher prices as a result of higher demand for zircon, the strength of the Australian dollar in comparison to the US dollar has also been of benefit to Iluka. The majority of Iluka's customers are from North America, China and Japan.

In March 2011 Iluka released its 31 December 2010 financial report, which made reference to debt repayments (approximately \$69.5 million), which have helped reduce interest payments and in turn, increased profitability.

In the same period, the Company announced an eight cents per share dividend to be paid to shareholders, for the first time since May 2007. Iluka also announced that a further \$65.0 million worth of debt had been repaid since 31 December 2010, significantly increasing shareholder wealth.

In June 2011, Iluka announced that they had concluded negotiations with its major high grade titanium dioxide customers and had reached agreements with those customers. Products, at agreed prices, were to be delivered to customers in the second half of 2011. The announcement prompted a sharp increase in share price, reaching a record high of just over \$17.8 per share.

Future

The Company has a well located portfolio as well as ample funding in place to undertake its scheduled developments. Iluka plans on meeting their obligations in terms of the titanium dioxide agreements, by providing customers with products in the second half of 2011.

Iluka also proposes further debt repayments in order to increase shareholder wealth further.

With zircon prices expected to rise over the coming years due to the limited supply, yet increasing demand, Iluka has set their sights on greater profits, providing shareholders greater wealth while gaining significant market share.

As other possible ventures come to light, Iluka has stated that they will consider future projects to expand on its current portfolio, if it is deemed suitable and viable.

Ultimately, early indications suggest that Iluka is likely to provide recurring dividends in the future periods.

Atlas Iron Limited

Atlas Iron Limited (Atlas) is an Australian iron ore company with mining and exporting operations based in the Northern Pilbara region of Western Australia. Since listing on the ASX in late 2004, Atlas has grown rapidly and is now a member of the ASX100 index.

Review of operations

Atlas has an extensive portfolio of projects covering an area of over 15,000km² across the northeast Pilbara, the Newman area and the Midwest of Western Australia.

The Company's main focus is the discovery and development of Direct Shipping Ore (DSO) deposits in strategic locations adjacent to existing infrastructure.

Atlas has three major mining operations in the Pilbara:

1. The established Pardoo Operation – Atlas' first producing iron ore mine. The operation produces a quality low-alumina DSO product, providing flexibility in blending in order to produce ore which meets the customer's requirements.
2. The Wodgina DSO Project – Atlas holds 100% of the iron ore rights. The Wodgina mine produces a quality low-alumina fines-only product and remains a highly prospective exploration target for Atlas.
3. Abydos – Atlas has completed a pre-feasibility study for a proposed 3Mtpa DSO operation at Abydos - a current estimate of total target potential for Abydos Project is in the range 30-40 Mt.

Atlas' Newman Projects have been marked by the merger with Warwick Resources in late 2009. The Company has implemented long-term exploration plans which are intended to deliver ore bodies over the next three to five years.

The Company holds two magnetite projects in Balla Balla and Ridley. Pre-feasibility studies have indicated Ridley has the potential to produce 15 million tonnes of high-grade magnetite concentrate per annum for over 30 years

Growth

Atlas's market capitalisation increased from \$1,613.5m to \$2,948.4m (82.7%) during the six month period between 31 December 2010 and 30 June 2011.

On 21 December 2010 Atlas announced a proposed 100% acquisition of Giralia Resources Limited (Giralia) which is also a mineral exploration company, focusing on iron ore projects in WA. On 1 March 2011 Atlas reached 97.09% interest in Giralia and commenced compulsory acquisition.

The Boards of both Atlas and Giralia believe the combination of the companies will provide strategic and financial benefits to the shareholders of Atlas and Giralia.

Atlas also saw a number of significant operational highlights during the period:

- ▶ Approximately 1.4MT were shipped in the March 2011 quarter
- ▶ Production capacity at Wodgina increased by 74% to 7 MTPA. This is a significant step toward achieving 12Mtpa in 2012

Future

Atlas and FerrAus Ltd (an emerging developer of iron ore in the East Pilbara Area) have executed a Bid Implementation Agreement pursuant to which Atlas has agreed to make an off-market takeover bid for 100% of FerrAus at an implied offer price of \$0.858 per FerrAus ordinary share, subject to completion of the Subscription and Iron Ore Assets Acquisition. The FerrAus Board of Directors unanimously recommend that shareholders vote in favour of the Subscription, subject to the opinion of an independent expert.

The consolidation of the South East Pilbara iron ore assets of Atlas and FerrAus will result in the combined group holding approximately 1 billion tonnes of DSO and as well as additional exploration targets in the highly prospective significant South East Pilbara landholding, with potential to rapidly grow those resources.

Aurora Oil & Gas Limited

Aurora Oil & Gas Limited (Aurora) is an oil and gas explorer and producer, listed on both the ASX, and the Toronto Stock Exchange (TSX).

Review of operations

Aurora two main projects include Sugarkane Gas and Condensate Field (Sugarkane) and Elixir Petroleum Limited. The company's operation is focused solely in the United States, the world's largest economy and largest consumer of hydrocarbons.

The Sugarkane Gas & Condensate Field is a unique Austin Chalk and Eagle Ford Shale reservoir in Texas. The field is split into five separate Areas of Mutual Interest (AMIs), of which Aurora participates in three. Exceeding 200,000 acres in size, the Sugarkane Field is over pressured and has a high condensate to gas ratio contributing to its commercial value. The Company maintains its focus on major onshore US oil and gas opportunities but retains upside exposure to international and offshore activities through its 13% investment in Elixir Petroleum Limited (Elixir). Elixir, an international exploration and production company, and holds a diversified portfolio of offshore oil and gas interests across the exploration, appraisal, development and production spectrum.

Growth

Aurora's market capitalisation increased during the six months by 59.9% (\$509.5 million) from \$851.3 million at 31 December 2010 to \$1,360.8 million at 30 June 2011.

In January 2011, the Company completed its second tranche of \$120 million capital raising with proceeds of \$37 million.

Just before the end of financial year, Marathon Oil Corp (Marathon) purchased Hilcorp Energy Company (Hilcorp) acreage within the Eagle Ford shale trend. Hilcorp is currently the operator of Aurora's acreage in Eagle Ford. The acquisition anticipated to close in the second half calendar year 2011 is for 141,000 net acres for a total of \$3.5 billion, which represents the single largest transaction by value to date within the Eagle Ford trend.

This transaction enhances Aurora's already strong North American position, and with the Company's technical expertise and best-in-class drilling, Aurora is poised to maximise profitable reserve and production growth.

During the March quarter, Aurora reported an increase in production to approximately 2,200 boe/day, with the number of rigs operating across the Company's acreage increasing from two to four in the month of January. As a result of Aurora's busy 2011 drilling schedule, sales for the quarter increased to approximately US\$7 million. The Company is confident that these results will continue to grow rapidly as their well count grows, and farming wells drilled by Hilcorp that were burdened with initial infrastructure costs, pay out.

In early June 2011, Aurora issued a total of 6.18 million ordinary shares to be quoted, to facilitate the secondary trading, in Australia, of fully paid ordinary shares pursuant to the conversion of special warrants.

Future

Aurora appears well funded for its existing activities and is positioned to pursue opportunities that exist with the Eagle Ford Shale to increase its acreage portfolio.

Robust oil prices have boosted revenues from Aurora's liquids rich production. The US Federal Government has made the US a favourable environment for domestic onshore oil and gas production by driving reduced reliance on imported oil by increased support of domestic production.

Aurora has an aggressive drilling program underway, with a target of having 80 active wells by year end.

The Company expects to increase production to 5,000 boe per day by year end.



Kangaroo Resources Limited

Kangaroo Resources Limited (Kangaroo Resources) is an ASX-listed mining company focused on exploring, proving and extracting coal from its substantial assets in Indonesia.

Review of operations

Kangaroo Resources' core business comprises of eight advanced coal mining projects in Indonesia all based on the exploration and production of thermal and coking coal. The most significant of these is the Pakar Project with JORC resources of 3 billion tonnes.

The Company also holds a prospective iron-ore exploration project consisting of one tenement located in Mt Ruby, Queensland.

Growth

Kangaroo Resources' market capitalisation increased by 296.4% (\$475.1 million) during the six months period from \$160.3 million as at 31 December 2010 to \$635.4 million at 30 June 2011.

This considerable growth is mainly due to the Company's successful acquisition of the Pakar Coal Project from PT Bayan Resources Tbk (Bayan) in June 2011. Bayan is an Indonesian-focused coal producer and holds its own coal loading infrastructure including a large coal terminal in Indonesia. Under the transaction, Kangaroo Resources acquires the Pakar Coal Project from Bayan and other parties in return for the issue of approximately 2.3 billion new shares with a value of \$277.0 million to the vendors. Following the acquisition, Bayan will hold a ~57.0% stake in Kangaroo Resources.

In December 2010 the Company announced the formation of a strategic alliance with Bayan in addition to its acquisition of the Pakar Coal Project. It was agreed between the parties that Bayan will take over the management of all Kangaroo Resources' coal assets in Indonesia. This allows Kangaroo Resources to draw upon Bayan's extensive experience and expertise as a major coal producer in Indonesia.

As part of its strategic alliance with Bayan, Kangaroo Resources is now able to sell the coal produced from its Mamahak Coal Project directly from the port site. This allows the Company to cut its associated downstream logistics costs and reallocate their funds to exploration and production activities. Significant growth is expected for the Company as a result of this in 2011.

Future

With Bayan as the main operators of Kangaroo Resources' coal assets in Indonesia, the Company is expected to realise further coal production of up to 15 Million tonnes per annum when the Pakar Coal Project and GPK Project commence production in 2012.

In March 2011, Kangaroo Resources announced its intentions to upgrade the existing mine and port infrastructure of the Mamahak Coal Project which will enable the transportation of coal throughout the dry season and deliver a steady revenue stream throughout the year. Production capacity from this project is expected to increase from 0.25 Million tonnes per annum to 0.60 Million tonnes per annum upon completion.

Strong growth is expected as Kangaroo develops its other coal assets in the area and brings them into production during 2012.



Alkane Resources Ltd

Alkane Resources Ltd (Alkane) is a multi commodity explorer and miner, with operations focussed in the Central West of New South Wales, Australia, centred about 400 kilometres northwest of Sydney.

Review of operations

Alkane was originally listed on the ASX in 1969. It has continued to develop significantly into a multi commodity explorer and miner in New South Wales, where it has been active for over 20 years. Alkane currently has major projects underway including the following:

- ▶ Dubbo Zirconia Project - one of the world's largest Zirconium, Niobium and Yttrium-Rare Earth resources. It is located in central west of New South Wales.
- ▶ McPhillamys Joint Venture - Joint Venture with Newmont Australia Ltd (NAL), located near the town of Orange in central west of New South Wales. The project has an identified resource of nearly 3 million ounces of gold and NAL have elected to take their equity to 75% by completing a BFS and decision to mine.
- ▶ Cudal - a Gold and Zinc project located west of Orange in central west New South Wales.
- ▶ Comobella - Gold and Copper endeavour located east of Dubbo in central west New South Wales.
- ▶ Galwadgere - project with Gold and Copper deposits. The tenement is located south east of Dubbo in central west New South Wales.
- ▶ Tomingley Gold Project - has an 660,000 ounce gold resource within the Wyoming and Caloma deposits and is currently undergoing development after extensive drilling programs and financing offer from Credit Suisse. The project is located close to the successful Peak Hill Gold mine previously developed by Alkane.

The Company also holds a diluting 21% residual interest in a nickel sulphide joint venture with Xstrata Nickel (Jubilee) near Leinster, Western Australia.

Growth

Alkane's market value increased by 120.4% (\$299.8 million) increasing from \$249.0 million at 31 December 2010 to \$548.8 million at 30 June 2011.

A key contributor to this growth has been the international interest in the Dubbo Zirconia Project and the rare earth sector in general.

Alkane recently listed on the OTCQX providing exposure to the North American market without having to list on a traditional US exchange. In conjunction with the interest received from North American investors, Alkane also raised approximately \$21.0 million between 31 December 2010 and 30 June 2011 in a capital raising venture on the ASX.

During the year, the Company completed a feasibility study on the Tomingley Gold project, and results indicate that the life of the mine could stretch from 10 to 12 years rather than the 7.5 years previously estimated. Alkane believes that this will be a notable project with significant returns (approximately \$516 million over the life of the mine) when complete.

In the last few months Alkane has announced a number of MOUs for product off-take from the Dubbo Zirconia Project which has lead the Company to expand the project concept from 400,000tpa to 1Mtpa.

Alkane recently released the results of the Dubbo feasibility study which demonstrated a very financially robust project with an initial 20 year mine life showing an EBITDA of A\$6 billion and NPV of A\$1.2 billion.

Future

Alkane is actively pursuing and continually expanding its operations in regards to the Dubbo Zirconia Project, the McPhillamys Project and the Tomingley Project.

As the Dubbo Zirconia Project nears development, production is expected to start in 2014, signifying Alkane's intent in the medium term.

The Company also plans to increase its operations in the Cudal, Galwadgere and Comobella projects which have taken a backseat in recent times due greater importance being places on the Dubbo Zirconia Project, McPhillamys and Tomingley projects.

Range Resources Limited

Range Resources Limited (Range) is an exploration and production company, with its principal activities located in Somalia, the Republic of Georgia, on-shore Texas and Trinidad.

Review of operations

Range has operations across the globe and is listed on the ASX and also the Alternative Investment Market (AIM). Its main focus is in two highly prospective hydrocarbon basins in Puntland, Somalia, where exploration is taking place in conjunction with three joint venture partners; Africa Oil Corporation, Red Emperor Resources NL and Lion Energy Corporation.

The Company's other major exploration prospects include onshore drilling in the Republic of Georgia, Texas and Trinidad, providing strong potential for Range's development and production business cores.

Range is currently operating at a production capacity of 700 bopd, with a planned work program estimated to lift production levels to over 4,000 bopd within 36 months.

Growth

Range's market capitalisation increased by 158.24% (\$231 million) for the 6 months period from \$145.8 million at 31 December 2010 to \$376.5 million at 30 June 2011.

In February 2011, the Company received positive results from its helium survey in Georgian tenements, identifying two zones suitable for exploration and, if successful, development drilling. These results complement an earlier seismic study completed during late 2010.

To boost production in Texas, Range saw the successful fracture stimulation of two of its wells, the Russell-Bevly #1 and Smith #1 wells. Post-fracking results have yielded a 500% increase in the gross combined rates of both wells, encouraging further development drilling in the North Chapman Ranch Field area.

To complement its growing portfolio of production assets, Range acquired SOCA Petroleum LLC (SOCA) in June 2011. SOCA hold various licenses and a fully operational drilling subsidiary in Trinidad; its production is currently at 700 bopd, and an aggressive work program is being implemented to raise production to 4000 bopd.

Range and its venture partners have also entered into amending agreements with the Government of Puntland, extending their exploration agreement for 12 months. The extension requires the drilling of two exploratory wells by the end of July and September 2011 respectively. Range's JV partner, Africa Oil, is set to cover the bulk of the drilling expenses, for both exploratory wells.

A significant financial milestone was also achieved during the period. In early 2011, Range obtained a three year Equity Line Facility from Dutchess Capital for up to £20 million. This facility assists Range in pursuing their rapid asset development strategy over the globe, as it allows immediate access to funding through subscription of new ordinary shares issued to Dutchess.

Future

Range's developing production assets and solid debt and equity lines put it in a strong cash position to pursue their asset development strategy; which includes onshore exploration drilling in Puntland and Georgia, and development programs in Trinidad and Texas. With these projects and tenements, Range Resources is well positioned to develop into a diversified international oil and gas explorer, developer and producer over the coming year.

Bathurst Resources Limited

Bathurst Resources Limited (Bathurst) is an Australian and New Zealand producer of high quality coking and thermal coal. The company was floated on the Australian Stock Exchange in January 2008.

Review of operations

Bathurst's primary activities include the exploration for and development of coal mining assets with a market focus geared towards niche export markets in line with this strategy. The Company recently undertook strategic realignment to position itself as a New Zealand-focused coal mining company.

In particular, Bathurst is focusing on the development of the Buller Coal Project in New Zealand and has commenced a Definitive Feasibility Study for the Buller Coal Project and the first stage of the two stage exploration program has been completed.

Growth

A key driver of Bathurst's growth is the successful completion of a non-underwritten, institutional placement which raised approximately \$55.0 million in funds. The placement was completed during May 2011 and involved the issue of 52.4 million new shares at \$1.05 per share.

Bathurst also successfully completed the acquisition Eastern Resources Group Limited on the 18 March 2011. Eastern owns highly complementary operations to Buller, placing Bathurst in a strong position to fulfil its vision of becoming a successful, New Zealand-focused coal mining company. The acquisition assumes control of two operating mines:

1. Takitimu coal mine in Ohai
2. Cascade mine on the Buller plateau, near Westport.

It also includes the prospective Whareatea West project, which is adjacent to Bathurst's Escarpment block on the Buller plateau.

A second operational highlight for Bathurst involved the Company entering into a Heads of Agreement with Westport Harbour to gain exclusive use of a coal handling facility to ship coal from company's Buller project. This was regarded as a key milestone in finalising the logistics chain that will see the value of the Buller Coal Field realised in international markets.

Bathurst also entered into an agreement with Brookdale Mining Ltd to acquire the Brookdale Assets on the Buller Plateau. The assets include permits covering an area of 341.6 hectares across three blocks. Consideration paid for the assets included US\$12 million in cash and 15 million shares in Bathurst. This acquisition completes Bathurst's consolidation of its South Buller operation.

Future

There is a high expectation to increase the amount of resources extracted from Buller Coal Project beyond current targets, providing room for accelerated growth from Buller in the future.

The recent completion of a Definitive Feasibility Study on the Escarpment confirmed the viability of a one million tonne per annum coal mining operation.

The Company expects the introduction of Deep Creek, its second mining area, by the end of 2013 will lift production to approximately 2 million tonnes per annum.



NRW Holdings Limited

NRW Holdings Limited (NRW) is a diversified business and is one of Australia's leading suppliers of services to the Mining and Resource Sector.

Review of operations

NRW have two types of business units: Civil Projects; and Mining Projects.

NRW Civil projects include bulk earthworks, project rehabilitation, conveyor line preparation and construction of access roads, drill pads, rail sidings, tailings dams, run-of mine pads, seawalls, airstrips, Greenfield mine development, bridges and iron ore storage facilities.

NRW Mining projects have included excavation of mine overburden, drill and blast, waste dump management services and in-pit works, waste stripping, surface and underground haulage, crusher feeding and related ancillary services.

Growth

NRW's market capitalisation increased by 38% (\$204.8 million) from \$542.6 million at December 31 2010 to \$747.4 million at June 30 2011.

In March 2011, NRW purchased a significant fleet of heavy plant and equipment from Comiskey Earthmoving Pty Ltd for approximately \$84 million. The purchase represented a strategic opportunity to expand NRW's operations in Queensland, while operating in a tightening market for heavy earthmoving plant and equipment.

In April 2011, NRW was awarded a five year contract in mining services for the Middlemount Coal Project in Queensland. The contract commences in July 2011, and has a total value up to \$780 million. This contract will provide a substantial entry into the east coast market and in particular the metallurgical coal sector.

Also in April, NRW issued shares to raise \$70 million. This equity raising would ensure that the Company's conservative gearing is maintained following the acquisition of plant and equipment in March, and to provide flexibility in funding capital expenditure associated with major contracts. The Company also issued a share purchase plan to raise a further \$10 million for the Middlemount Mining Contract.

At the end of April 2011, NRW was awarded a contract to the Western Turner Brockman Project Earthworks and Primary Civil Works for Rio Tinto Iron Ore. The contract will be undertaken in Joint Venture with Eastern Guruma Pty Ltd. The contract is to begin in late May and will last 12 months; raising approximately \$160 million. The contract was a significant win for the Company, and represents further expansion of the civil division of NRW.

Future

NRW is expected to commence working on two new joint venture projects in early July 2011. The NRW/Ngarluma and Yindjibarndi Foundation Limited joint venture was awarded the Cape Lambert Port Car Dumper and Bulk Earthworks package in March 2011, valued at \$100 million and employing 196 people.

For financial year 2012, NRW is targeting to achieve \$1 billion in revenue. The Company intends to expand external services for Action drill and Blast, and to continue to expand their influence in Queensland.

The Company has also highlighted several target opportunities, including BHP Billiton's Macedon project, Chevron's Wheatstone project, and Woodside Petroleum's Browse project.

NRW is also expected to generate approximately \$208 million annually from ongoing mining projects.



BWP Trust

BWP Trust (formerly Bunnings Warehouse Property Trust) is an ASX-listed managed investment scheme focused on investing in premium commercial real estate throughout Australia.

Review of operations

BWP Trust is a sub-sector specific Australian Real Estate Investment Trust (A-REIT) and holds a portfolio of 60 properties across all mainland Australian states.

Currently all properties owned by the Trust are on long-term leases to Bunnings Group Limited and J Blackwood and Son Limited which are both wholly owned subsidiaries of Wesfarmers Limited.

BWP Trust maintains a defined investment strategy that focuses on delivering long-term capital growth and a secure income stream for its unit holders.

Growth

BWP Trust's market capitalisation increased by 27.3% (\$204.3 million) from \$747.3 million at 31 December 2010 to \$951.6 million at 30 June 2011.

This growth is mainly attributed to the \$150 million of equity raised during March 2011 through the issuance of new ordinary units to institutional and retail investors.

During the year, the Trust acquired a portfolio of 13 Bunnings Warehouse properties from Bunnings Group Limited for \$241.7 million. The acquisition was financed by a combination of the \$150 million of equity raised during March 2011 and existing debt facilities.

The acquisition portfolio is equal to around 23% of the value of the Trust's existing properties and is the biggest since the Trust was listed. This portfolio represents a solid platform for future growth.

In April 2011 the Trust undertook the refinancing of their \$50.0 million banking facility with National Australia Bank Limited. The existing evergreen facility was converted to a three-year fixed term facility to provide a more efficiently priced structure and deliver potential benefits resulting from the easing of fees and margins.

Future

The Trust expects long term future growth to come from increased annual rent on existing and recently acquired properties, upgrades to existing properties and acquiring adjoining land for future upgrades.

United Overseas Australia Limited

United Overseas Australia (UOS) is an ASX-listed property development, civil contractor and investment holdings company.

Review of operations

The core focus of UOS is the development and sale of landed and high rise residential properties which have a close proximity to established public transport networks, educational facilities and other public amenities within Malaysia.

The Company's main business activities are operated through UOA development Bhd (UOADB) and include land acquisition, design and property sales.

UOS also holds an effective equity holding of 39% in the UOA Real Estate Investment Trust (UOA REIT). As part of their operational strategy, UOS utilises UOA REIT to retain certain developments as property investments and rental properties with potential for long term growth.

Growth

UOS's market capitalisation increased by 50.1% (\$187.5 million) in the six month period from \$317.3 million as at 31 December 2010 to \$504.8 million at 30 June 2011. In June 2011, the Company announced the listing of its subsidiary UOADB (the construction and development division of the Group) on Main Market Bursa Malaysia Securities Berhad, whilst retaining 66% of the equity.

The listing raised \$327.3 million, of which \$95.3 million was derived from UOS's share offer and \$232 million from UOADB new issue shares.

In terms of operational growth, UOS has been instrumental in the redevelopment of the Bangsar South area into a modern development through its flagship Bangsar South project.

The Bangsar South Project is a fully integrated residential cum commercial development that stands apart from the rest with its central location, excellent internet and transport connectivity plus a host of retail, service and recreational facilities including a \$31 million clubhouse, six-acre park lands and a healthcare centre.

The success of UOS with the completion of a number of commercial and residential projects in the six month period end 30 June 2011 within the Bangsar Project has contributed to the marked increase in the market capitalisation.

Future

In the short term, UOS plans to continue developing medium to high end properties located mainly within the Klang Valley (West Malaysia) location and further cementing its foundations in the Malaysian property industry.

UOS also plans to continue developing and delivering distinctive and prestigious commercial and residential projects with the quality finishings within the Bangsar South area.

UOS has set its longer term vision towards capitalising on their development and management expertises to potentially expand into Singapore, Vietnam and Australia.



Compilation of the Ernst & Young *On the Move* Western Australia growth report

On the Move Western Australia's growth report is compiled from publicly available information provided by the ASX and Bloomberg on the market capitalisation of each Western Australian listed company.

A company is included as a WA company where the Head Office is in WA, regardless of whether the company is dually listed.

Information on WA listed companies is then analysed to determine the fastest growing WA companies of the period.

Face-to-face survey interviews with the CEOs of the top companies for the period have been conducted covering a series of questions regarding the key factors as to why they are performing ahead of the market.

All dollar values are in Australian dollars unless otherwise stated.

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