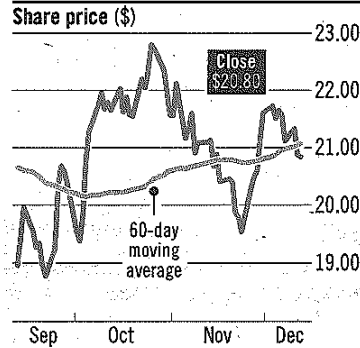


Taking Stock

Westpac

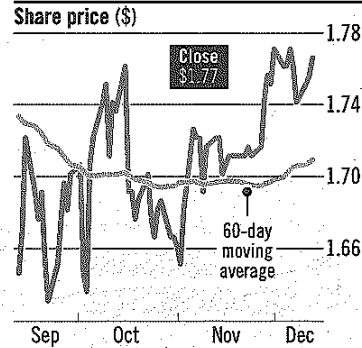


| | | | |
|------------|---------|-----------|--------|
| 52wk high | \$25.60 | Fwd EPS | \$2.12 |
| 52wk low | \$17.84 | Fwd P/E | 9.8x |
| 1yr return | -2.8% | Div yield | 10.7% |

Westpac has been laying more groundwork for pocketing part of any future rate cuts, a move that would boost margins that have been flat over the past year. At Wednesday's annual general meeting for the bank, the world's 16th largest by market capitalisation, chief executive Gail Kelly indicated re-pricing of loans was likely. "Higher funding costs are a reality of this environment and are continuing to place pressure on interest margins," Mrs Kelly said. "We are mindful of the impacts of interest rate decision on customers but these must be balanced with what is economically responsible." Markets expect the Reserve Bank of Australia to cut rates by 1.25 per cent over the next year, giving banks plenty of opportunities to hold some of the cuts back. With \$203 billion in mortgages, every basis point – one one-hundredth of a percentage point – that Westpac pockets for itself adds a bit under \$20 million to its bottom line.

Matthew Drummond

BWP Trust

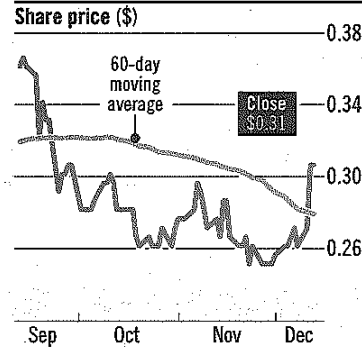


| | | | |
|------------|--------|-----------|--------|
| 52wk high | \$1.89 | Fwd EPS | \$0.13 |
| 52wk low | \$1.56 | Fwd P/E | 13.5x |
| 1yr return | 5.9% | Div yield | 6.7% |

Warehouse property owner BWP Trust has been one of the better performing real estate investment trusts. Since Monday, the stock has gained 0.86 per cent against the broader S&P/ASX Property Accumulation Index's 0.57 per cent gain. The trust, which has a market capitalisation of \$913 million, announced yesterday that its estimated distribution for the six months to December 31 would be 6.6¢ a unit. Five analysts have "buy" ratings on the stock. Two rate it a "hold" and one says "sell". The majority of its properties are Bunnings Warehouses. The home improvements business has been achieving strong sales growth when other retailers in the bulky goods sector have been struggling in a slow retail environment. BWP outperformed in November after suffering poor results in October following its acquisition of Domain Central homemaker centre in Townsville. That deal was one of the largest bulky goods purchases for the year.

Zoë Fielding

Chalice Gold Mines

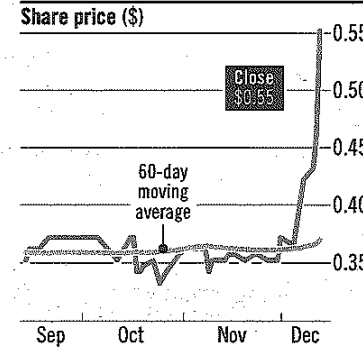


| | | | |
|------------|--------|-----------|-----|
| 52wk high | \$0.76 | Fwd EPS | n/a |
| 52wk low | \$0.24 | Fwd P/E | n/a |
| 1yr return | -55.1% | Div yield | n/a |

Chalice Gold Mines enjoyed its best one-day gain in more than 1½ years on Tuesday after the East African gold explorer said it had received interest from an entity to buy its stake in the Zara gold project. Management has signed a letter of intent after receiving a non-binding and incomplete proposal and said it would provide a further update in the next two weeks. Chalice holds an 80 per cent interest in the Eritrean project, which is estimated to contain 840,000 ounces of gold. A deal to sell this key asset is seen as positive as it could allow Chalice to crystallise profits from Zara at a time when the gold price is still relatively high. There are worries that the high price of the precious metal may not be sustained when Chalice starts ramping up production in 2012-13 or 2013-14. Brokers believe that Chalice will only turn a profit in two years and are urging investors to buy the stock as it has crashed more than 50 per cent over the past 12 months.

Brendon Lau

Algae.Tec

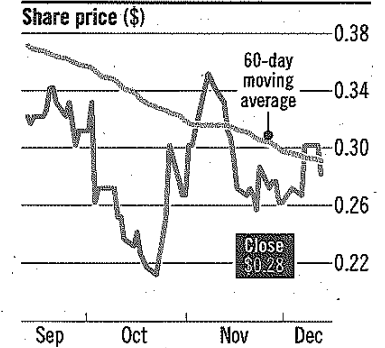


| | | | |
|------------|--------|-----------|-----|
| 52wk high | \$0.67 | Fwd EPS | n/a |
| 52wk low | \$0.17 | Fwd P/E | n/a |
| 1yr return | n/a | Div yield | n/a |

Recent positive developments for carbon capture and biofuels company Algae.Tec have helped its share price spike sharply this month, by more than 31 per cent, and the stock is now trading at its highest level since January. The company, which uses a unique high-yield enclosed algae growth and harvesting system, signed a collaboration contract to build its first algae biofuels production facility in Asia earlier this month. The facility will be built in conjunction with cement and building materials company Holcim Lanka, which will channel waste carbon dioxide into the algae growth system in an effort to reduce its carbon footprint, and the process will also generate low-cost biofuel. Algae.Tec also received a \$6 million funding injection from US-based La Jolla Cove Investments, which management says will enable them to fast-track projects, including the Asian facility as well as expand the technical engineering team.

Anna Raissis

European Gas



| | | | |
|------------|--------|-----------|-----|
| 52wk high | \$0.45 | Fwd EPS | n/a |
| 52wk low | \$0.21 | Fwd P/E | n/a |
| 1yr return | -37.8% | Div yield | n/a |

Shares in the small-cap energy company have shed 38 per cent of their value this year as management has worked to repair its balance sheet. The company is a hydrocarbon explorer with the majority of its assets in France, and has a focus on coalmine methane and coal bed methane. It completed a \$15 million equity placement in June this year to international institutional investors at a 10 per cent discount to recent transactions. The raising will fully fund its exploration program for the next 12 months. That followed a restructuring of the company, with 100 per cent of its Gazonor asset in France sold to Transcor Astra Luxembourg and the issuance of 22 million shares to Transcor in February this year. The company recently announced that it would not be affected by new legislation introduced in France which bans the use of hydraulic fracturing or "fracking" for hydrocarbon exploration. The company reported a net profit of €652,000 for the 12 months to June 30.

Joanna Heath

