

Company Reports in Today's Issue

Wednesday, 19 December 2007

ASX Code	Company	Recommendation
KAL	Kalgoorlie-Boulder Resources	Speculative Buy

Market Overview

- ✓ US stocks bounced back from two sessions of heavy losses after the European Central Bank moved to lend \$500bn to commercial banks,
- ✓ The Federal Reserve is slated to propose broad new curbs on subprime loans, potentially limiting the kinds of mortgages that can be issued and the types of items borrowers will need to obtain a loan,
- ✓ The European Central Bank allotted \$501bn (348bn euros) to banks - demonstrating central bank resolve to tackle the credit crisis but also the scope of the problems that plagued the sector in the first place,
- ✓ Higher interest rates were likely to be required to stem Australian domestic demand with tighter money market conditions the key reason preventing a December move,
- ✓ Australian merchandise imports rose in November to \$17.43bn from \$17.38bn in October,
- ✓ Australian sales of new homes and units among the country's largest developers and builders fell 2.6% in November,
- ✓ Australian industry conditions eased in the December quarter but remained at robust levels,
- ✓ An Australian minerals survey found net profit rose 21% to \$14.9bn in 2006-07,

Market Indices

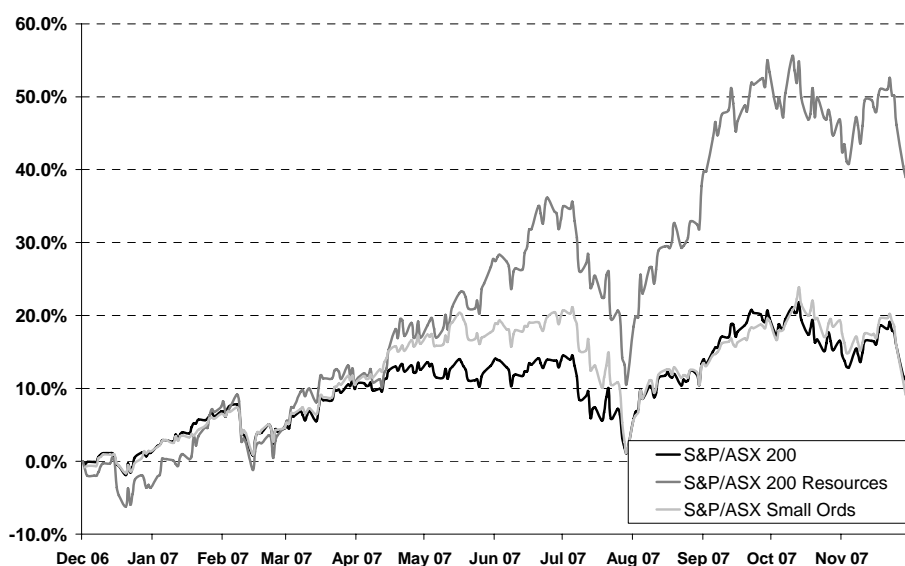
Index	Close	Change	%
All Ord	6,292.6	-39.17	-0.62
S&P/ASX200	6,236.9	-26.65	-0.43
S&P 500	1,455.0	9.06	0.63
NASDAQ	2,594.2	19.75	0.77
FTSE 100	6,279.3	1.50	0.02
Nikkei 225	15,207.9	-41.93	-0.27
MSCI World	1,552.8	-29.35	-1.85

Commodities

Units/\$US	Latest	Change	%
Gold	802.30	9.40	1.19
Aluminium	2,345.0	-17.0	-0.72
Copper	6,365.0	-55.0	-0.86
Nickel	25,510.0	-390.0	-1.51
Lead	2,412.0	-49.0	-1.99
Zinc	2,240.5	-89.5	-3.84
Oil	89.93	-0.76	-0.84

Currency and Fixed Interest

Name	Latest	Change	%
\$US/\$A	0.860	-0.001	-0.08
¥/\$A	97.505	-0.110	-0.11
€/\$A	0.597	0.000	-0.03
\$NZ/\$A	1.139	0.000	-0.04
10 Year Bond	6.30%	0.007	0.12
90 Day Bill	7.35%	0.012	0.16



Kalgoorlie-Boulder Resources Ltd KAL Wednesday, 19 December 2007

Selene gold deposit has impressive thickness and continuity

Recommendation Speculative Buy

Overview

KAL has increased its resource estimate for the Selene deposit at its Norseman gold project by 53%. The indicated and inferred resource is now 14.3 million tonnes averaging 1.6 g/t gold and containing 720,000 ounces of gold. Including resources at Mt Henry, North Scotia and Abbottshall the global Norseman gold project resource now totals 25.8 million tonnes averaging 1.7 g/t gold and containing 1.4 million ounces of gold.

The Selene deposit is hosted in banded iron formation and dips gently at 20 degrees towards the west. With down hole intersections in excess of 40 metres in length, the low strip ratio and bulk nature of the ore body is expected to lend itself to very low cost open pit mining methods. The resource increase is the result of the completion of 1,633 metres of RC drilling in October 2007.

KAL is currently updating its Mt Henry resource to incorporate recent drilling, and is well advanced towards the completion of a scoping study for the project in the first quarter of 2008. Process test work is scheduled for the early part of 2008.

The Norseman gold project covers 124 sq km of the Norseman-Wiluna greenstone belt of the Eastern Goldfields of Western Australia. Norseman is the most southern gold mining centre of the belt and the region has been a major gold producer with production in excess of 6.1 million ounces of gold from 1935.

The company acquired the project in early 2007. Previous owners included Canadian gold mining company, Kinross Gold Corporation.

The company is also advancing the Clinker Hill nickel sulphide project in the Kambalda nickel province. The project is in a favourable geological setting on the western margin of the Bulong ultramafic complex. The historic gold mining centre of Bulong is to the north of the project, the Blair nickel mine is located 10 km to the west and the Carnilya Hill nickel mine is located 20 km to the south.

Previous mapping has shown that there is a 7 km strike length of relatively under explored basal contact zone between the west facing Bulong ultramafic complex and a fractionated ultramafic/gabbro sill. A soil sampling program has identified a significant 700 ppm nickel anomaly that measures 900 metres by 100 metres in a possibly favourable embayment in the basal contact.

The program also identified a 400 ppm nickel anomaly that extends 5 km along the basal contact. Both anomalies are coincident with copper, platinum group elements and cobalt. The company intends to conduct ground based EM surveys to assist with the identification of drill targets.

Impact

Both of KAL's Selene and Mt Henry mineral resources display continuous and thick mineralised zones which will be readily amenable to open pit mining. In particular the Selene deposit has a gentle dip which will enhance the economics of a mining operation. In addition the company has an impressive nickel sulphide project that with limited further work should provide exciting drill targets. These are excellent projects that don't come along everyday!

Snapshot

Last Price	\$0.17
Market Cap (m)	\$21.2
52 Week High	\$0.26
52 Week Low	\$0.054
Sector	Metals & Mining

Investment Fundamentals

Cash reserves	\$1.2 million
Shares on issue	124.8 million
Options on issue	51.4m listed 20 cent July'08 17.1m unlisted options
Directors	Michael Atkins (Chairman) Trevor Matthews (Managing) David Prentice (Non exec) Stanley Lewis (Non exec) Richard Alter (Non-exec)
Major shareholders	RASL AU LLC 31.1%

Price Chart



Business Description

KAL is a mineral exploration company with gold and nickel projects within the Norseman-Wiluna greenstone belt of Western Australia.

Analyst: Paul Goody

INTERNATIONAL OVERNIGHT NEWS

US Markets

US stocks bounced back from two sessions of heavy losses after the European Central Bank moved to lend \$500bn to commercial banks and Goldman Sachs Group and Best Buy offered solid quarterly results.

The Dow Jones Industrial Average finished up 65.27 points (0.5%) at 13,232.47, with 20 of its 30 components trading higher.

The S&P 500 gained 9.08 points (0.63%) to 1,454.98, while the Nasdaq Composite added 21.57 points (0.84%) to 2,596.03.

Goldman Sachs reported fourth-quarter net income rose 2% from a year ago, with profit topping Wall Street estimates for an eighth consecutive quarter. Its stock, however, fell 3%.

Shares of Best Buy also fell, recently down 0.2%, after the company said third-quarter profit climbed to 53 cents a share from 31 cents a year earlier, exceeding forecasts.

Adobe Systems shares were up 3% after the software maker reported strong fourth-quarter profit and sales that mostly topped analysts' estimates.

US Economic News

The Federal Reserve is slated to propose broad new curbs on subprime loans, potentially limiting the kinds of mortgages that can be issued and the types of items borrowers will need to obtain a loan.

European Markets

Shares in Europe ended virtually flat, with automakers staging a bit of a recovery but profit taking seen in the technology and defensive sectors, led by a brokerage downgrade of food giant Nestle.

The pan-European Dow Jones Stoxx 600 index closed with a loss of 0.1% to 360.42. While automakers like Porsche, up 3%, saw some pep, recent safe-haven plays saw a drop.

Swiss food group Nestle ended 2.8% lower after it was downgraded to neutral from buy. The stock had gained 24% this year.

Of regional indexes, the UK FTSE 100 index was up a fraction of a percentage point at 6,279.30, the German DAX 30 index increased 0.3% at 7,850.74 while the French CAC-40 index ended 0.1% at 5,509.37.

The split performance came on a day when the European Central Bank allotted \$501bn (348bn euros) to banks - demonstrating central bank resolve to tackle the credit crisis but also the scope of the problems that plagued the sector in the first place.

Shares of Cadbury Schweppes added 2.5% as the investment vehicle of Nelson Peltz urged further action at the chocolate and drinks giant.

Aggreko shares climbed 13.3% after the provider of portable generators said second-half trading was very strong and its performance will now be ahead of current market expectations. Operating profit in sterling terms is expected to grow by around 50%, the firm said.

Meanwhile, materials-science firm Cookson Group saw its shares rise 2% as investors eyed a statement that fiscal-year results are expected at the upper range of forecasts. End-markets are showing good growth and the outlook for worldwide steel production remains robust, the firm said.

Commodities

Better-than-expected US housing starts for November fuelled a short-covering rally on the London Metal Exchange although gains are likely to be short-lived, traders and analysts said.

Gold moved higher with oil prices before traders booked profits and crude's price sank, market watchers said.

Currencies

The US dollar rose against the yen on Tuesday as traders covered bets against the greenback and began taking profits ahead of year end. Volumes were thin as investors began closing the books on 2007, leading to jittery trading influenced heavily by technical factors and flows, traders said.

The European Central Bank's extension of \$500 billion in two-week loans to euro-zone banks also helped ease investor anxiety about a year-end credit squeeze, prompting some to wade back into yen-funded carry trades.

AUSTRALIAN OVERNIGHT NEWS

Australian Markets

Local markets will likely open higher tracking an improvement on Wall Street after the ECB said it would lend \$500bn to commercial banks.

Ahead of the local open the December SPI futures were 18 points higher at 6,226.

Companies in the News

Rio Tinto (RIO)

Rio Tinto (RIO) said it plans to sell up to 15mt of iron ore on the spot market in 2008. Spot prices have surged, driven by strong demand from Asian steelmakers, and Rio Tinto said the expansion of its production in the Pilbara region of Western Australia would allow it to boost spot sales and still meet long-term contractual commitments. "The gap between the benchmark and spot prices is huge and we intend to continue to take advantage of those higher prices," Rio Tinto Iron Ore Chief Executive Sam Walsh said in a statement. Rio Tinto said it sold about 1mt of iron ore in the spot market at US\$190 a tonne in December, and a similar amount has been sold for January shipment at a price of US\$187 a ton. The miner said efficient short, medium and long-term contracts need to exist in the iron ore industry. "The iron ore market is changing", Chief Executive Tom Albanese said. "Customers are demanding more transparency in pricing and more tons, faster than ever before." Rio Tinto said the current difference between the spot iron ore price and the price of iron ore delivered in 2007 term contracts is about US\$100 a tonne. For 15mt this would equate to US\$1.5bn of revenue before tax. RIO dipped \$2.44 (1.85%) to \$129.41.

Australia and New Zealand Banking Group (ANZ)

Australia and New Zealand Banking Group (ANZ) Chairman Charles Goode said that ANZ may pass on higher wholesale lending costs to customers as the fallout from the global credit crunch continues. "While we have so far absorbed much of this additional funding cost, if this margin squeeze is sustained there will be a need to pass these higher funding costs on to more of our customers," Goode told shareholders at the group's annual general meeting. "There has been a further deterioration in global credit markets in recent weeks," he said. He said that there had been "some positives" that have emerged from the US subprime mortgage crisis, including a more rational pricing of risk, particularly on the corporate side, and strong corporate lending volumes. "We are also seeing higher application volumes in our mortgage business, as customers look to the financial strength of ANZ," Goode said. "However there will be headwinds from the reverberations of the US subprime crisis, higher funding costs, a likely stronger Australian dollar than the average experienced in 2007 of around 81 cents, higher credit provisions, and expenditure related to strengthening our franchise for the medium and longer term," Goode said. "Our current strategy and policies may have our earnings growth coming in below our peers for the year ahead, but that is not certain, and we expect the medium and longer term performance to be above that of our peers," he said. ANZ rose 29 cents (1.08%) to \$27.24.

WorleyParsons (WOR)

WorleyParsons (WOR) said the Ranhill WorleyParsons Malaysian joint venture has been awarded a three-year maintenance contract by Sarawak Shell. The US\$60m contract is to service the Miri operation and reinforces WorleyParsons' long-standing relationship with the Royal Dutch Shell unit by realigning the Malaysian unit with other similar Shell contracts in the region, WorleyParsons said. Services will be extended from the existing engineering design

service to include asset management, technical integrity, construction and maintenance planning and a range of specialist services to help Sarawak Shell in completing an extensive work program in the next few years, it said. Ranhill WorleyParsons will be supported by the Transfield Worley joint venture, which has existing relationship with Shell in New Zealand and Woodside Petroleum Ltd. in Australia, the company said in a statement. WOR fell \$1.37 (2.82%) to \$47.15.

Commonwealth Property Office Fund (CPA)

Commonwealth Property Office Fund (CPA) Manager Charles Moore said the Australian property trust has no debt maturity in the fiscal year ending June 30. Proceeds from the sale of 100 King William Street Adelaide, which was announced last month and will settle in March, will be used to pay debt, he said in a statement. He added at the conclusion of the sale the fund's gearing will be about 29%. "Given the quality of CPA's credit rating, its low gearing and strong financial position and the fact that there are no debt maturities in the 2008 financial year, the fund is well positioned to tolerate the current volatility in the credit market," Moore said. The company also said seven of its office property assets had been independently revalued, leading to an increase of \$128.5m, or 13%, in their book value. As a result of the revaluations, the fund's net tangible asset backing is estimated to increase to \$1.58 per unit at Dec. 31, up from \$1.50 a unit at Sept. 30, bringing the fund's net tangible asset increase from June 30 to 11 cents a unit, CPA said. CPA added 2 cents (1.25%) to \$1.62.

Envestra (ENV)

Envestra (ENV) said its wholly-owned subsidiary Envestra Victoria executed a \$130m debt facility with Commonwealth Bank of Australia (CBA). The funding is for debt maturing February, 2008. Envestra said it has changed its financing strategy due to "current uncertainty" regarding the credit status of various monoline insurers, as well as the delay by the Victorian Essential Services Commission in the publication of its final determination regarding the Victorian gas distributors Access Arrangements for 2008-12. The group said an issue of credit-wrapped capital index bonds may be undertaken in 2008. Envestra had said in August it intended issuing credit wrapped capital indexed bonds to refinance \$105m of bonds and \$25m of unsecured notes maturing in February 2008. It added it has no further bonds maturing until May 2009, valued at \$85 million, and has undrawn bank facilities amounting to \$240m with terms extending from 2009-2012 - excluding \$95m in standby facilities, and today's \$130m. Around 90% of the group's floating rate debt is hedged for the five years regulatory periods through to 2012. ENV weakened 3 cents (2.65%) to \$0.92.

Telstra (TLS)

Telstra (TLS) said it has more than 2m customers on its 'Next G' third generation mobile network. In a statement, Telstra said its customer base is currently growing around 250,000 per month, and in the last two months, it has passed the twom mark. Telstra launched the network last year. TLS firmed 5 cents (1.08%) to \$4.67.

Village Roadshow (VRL)

Village Roadshow (VRL) said it has settled a long running legal case against it and has eliminated a provision it had been required to carry in relation to the matter. In a brief statement, Village Roadshow said that, as a result of eliminating the provision, its 2008 profit will be boosted by \$2.4m after tax. The terms of the settlement of litigation, which was initiated against the company by former executive Peter Ziegler, are confidential. VRL declined 16 cents (4.98%) to \$3.05.

Australian Economic News

Higher interest rates were likely to be required to stem Australian domestic demand with tighter money market conditions the key reason preventing a December move, the Reserve Bank of Australia said in its minutes for its most recent policy meeting released. The RBA has made available the minutes from its Dec. 4 policy meeting at which it voted to keep interest rates steady at 6.75%. The RBA said in the minutes that a rise in money market rates in November meant a December rate rise wasn't needed. However, it said the central bank's board members still remained concerned about inflation. The RBA expects annual underlying inflation to be above the top of the central bank's 2%-to-3% target band in the first half of 2008 before easing to around 3% in the second half. The release of the minutes comes two weeks after the board's meeting and is part of the central bank's new greater transparency regime, which also includes the release of a policy statement accompanying every interest rate decision. Historically, the RBA has only provided comments on its decision if the board voted to change the cash rate.

Australian merchandise imports rose in November to \$17.43bn from \$17.38bn in October, the Australian Bureau of Statistics said. The figures aren't adjusted for seasonal factors. The bureau said machinery and transport accounted for the largest proportion of imports and were valued at \$7.58bn.

Australian sales of new homes and units among the country's largest developers and builders fell 2.6% in November, an industry survey released found. Private sector detached house sales fell 1.8%, compared with a 1.6% fall the previous month, according to the survey conducted by the Housing Industry Association. Sales of multi units fell 8.9%, the third decline in the last four months. "Throughout the year new home sales have remained flat, signalling a short-term widening of the gap between housing supply and demand," HIA chief economist Harley Dale said.

Australian industry conditions eased in the December quarter but remained at robust levels, the Westpac-Australian Chamber of Commerce and Industry industrial trends survey showed. The Westpac-ACCI industrial trends composite index - a measure of actual business conditions - fell to 55.8 in the December quarter from 56.4 in the September quarter. The expected composite index - a gauge of business confidence for the March quarter - rose to 59.4 from 55.7, the highest level since 2003. Survey responses were mainly received after the Nov. 24 federal election, reflecting a general confidence in the newly elected Labor government.

An Australian minerals industry survey released found net profit rose 21% to \$14.9bn in 2006-07, according to the Minerals Council of Australia. Despite escalating production and operating costs, all profitability indicators continued to rise in the 2006-07 fiscal year ended June 30 on account of strong global demand, continued strong prices and modest increases in production. "We have enjoyed another strong year and the industry is gearing up big time," Mitchell H. Hooke, the council's chief executive, said in a statement. The council expects both the output and the US dollar prices of minerals from Australia to rise in 2007-08.

Companies Holding AGM's or Trading Ex-Dividend

None Today

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General Advice

These notes represent a brief snapshot of some corporate news and quick reactions to that news and do not purport to be comprehensive. The recommendations are of a general nature and are based on a consideration of the securities alone, and as such are conditional and must not be relied upon without advice from a securities adviser as to the appropriateness to you given your individual investment objectives, financial situation and particular needs. Whilst this document is based on information and assessments that are current at the date of publication, Intersuisse has no obligation to provide revised assessments in the event of changed circumstances.

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