



## THE MELBOURNE MINING CLUB LUNCHEON



7<sup>th</sup> February, 2008

Owen Hegarty - MD & CEO Oxiana

Topic: 2008 & Beyond The Challenges,  
Opportunities & Obligations Facing Australia's  
Minerals Industry



A healthy crowd of more than 450 people gathered in Melbourne's Town Hall to hear the charismatic Owen Hegarty discuss the key issues facing Australia's Mineral Industry. In Hegarty's typical light hearted no-bullshit fashion, he outlined the once-in-a lifetime opportunity available to take a long-term perspective today and *generate inter-generational benefits*. The man who has been credited with coining the phrase "Stronger Forever" (as opposed to the commonly used "Stronger for Longer" concept for prices of commodities) was made possible by the growth of emerging economies with large populations.



Looking back at Oxiana's success, Hegarty's attributes this to, among other things, the selection of low-cost, high-quality assets, like Sepon. from Rio Tinto and subsequent development is the stuff of legend. They are not easy to find, Hegarty says, and merchant bankers are always serving up "mutton dressed as lamb". The key is to wait for the right deal, "and to us, deals are like buses - if you miss one, there'll be another one along shortly". He regards the trend toward takeovers in the industry as "predictable" due to the rising cost and efforts needed to explore more difficult new tenements. He also predicted further involvement in the sector by Chinese consumers of the commodities.

Hegarty stressed that Australia "must be prepared to take a long-term strategy". Production and export capacity constraints needs to be lifted through better physical infrastructure management. Professional and trade skills shortages must be overcome through relevant education and training initiatives with efficient business migration to address skills gaps where required. Industry exploration and R&D efforts must be supported to increase the nations mining inventory. And there must be a long-term view taken with capital by all parties to ensure long-term wealth.

All in all, Hegarty appeared to have all the answers. The many shareholders who've been with the 'Big OX' throughout its journey would no doubt agree that he's a man who knows his stuff... let's hope the powers that be feel likewise and follow his lead!

