Australian Market Report of July 2, 2010

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Sydney, Australia (ABN Newswire) - The Australian market fell for an eighth straight session on Thursday and closed at its lowest level in 11 months. The market opened lower after Wall Street fell on disappointing employment data in the US. Sentiment was dented further as a fall in China's purchasing managers' index for June raised concerns of a slowdown in Chinese economy. At the close, the benchmark S&P/ASX200 index slashed 64 points, or 1.49 per cent, at 4237.5 points. The broader All Ordinaries index was down 62.1 points, or 1.44 per cent, at 4262.7.

Company News

Toro Energy Ltd (ASX:TOE) says it is commencing its first round of offtake agreement negotiations with international buyers for uranium oxide product from its Wiluna project in Western Australia, which is expected to see a maiden production from early 2013. The company is in talks with uranium marketers and energy utilities in both Japan and the United States. Talks will follow immediately with potential customers in Europe, Korea and China, Toro said.

Australia's largest energy retailer AGL Energy Ltd (ASX:AGK) has launched a A$123 million cash bid for all shares in Mosaic Oil NL (ASX:MOS). AGL's proposal is incomplete and non-binding. Mosaic said its board has not yet considered the proposal and advises its shareholders take no action pending further announcement.

WA-based West African gold explorer Gryphon Minerals Limited (ASX:GRY) has made a friendly takeover bid for Shield Mining Limited (ASX:SHX) offering one Gryphon share for every three Shield shares. The share offer valued a Shield share at A$0.272 on the closing price for Gryphon share on 28 June 2010 before both parties' trading halt. Gryphon has also offered one Gryphon share for every 11 Shield options. Shield said the board of the company unanimously recommends the Gryphon offer in the absence of a superior proposal.

Independent grocery and liquor wholesaler Metcash Limited (ASX:MTS) has agreed to buy the Franklins chain of supermarkets for A$215 million. Metcash has entered into an agreement with Pick n Pay Retailers of South Africa to acquire the shares of Interfrank Group Holdings, the company which owns the Franklins business. The Franklins chain of supermarkets is in NSW and totals 85 stores. The acquisition is expected to add more than A$500 million per annum of wholesale sales to Metcash's business. The transaction is subject to approval by the competition regulator and will be funded from Metcash's existing bank facilities.

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