



MPPE ISSUES INVITATION TO TENDER IN RELATION TO THE FORMATION OF A STORAGE AND DISTRIBUTION JOINT VENTURE IN MYANMAR

Myanmar has issued an invitation to tender to foreign companies in relation to the establishment of a joint venture (**JV Company**) with the Myanmar Petroleum Products Enterprise (**MPPE**) for the purposes of importing, storing, distributing and selling oil products. The closing date for tender applications is 20 October 2015. The MPPE will hold a 51% share in the JV Company to be established. The MPPE will provide the JV Company with land use rights and existing facilities which include buildings, equipment, machinery and infrastructure. The joint venture will be for a maximum period of 30 years with the possibility of two 10-year extension periods. Bidders are required to have a minimum of 10 years' industry experience and traded a volume of at least 2.7 million cubic metres of oil products per year in the last three years. (Source: <http://uk.reuters.com/article/2015/07/10/myanmar-oil-idUKL3N0ZQ2H620150710>, 10 July 2015)

LME'S CONSULTATION ON NEW WAREHOUSE REFORMS

The London Metal Exchange (**LME**) has launched a market-wide consultation on two new proposals regarding the final elements of the 12-item warehouse reforms programme initiated in November 2013 (**Consultation Proposals**). Following a two-month discussion period with market participants, the LME has put forward recommendations to increase the minimum load-out rate for metal stored in LME-approved warehouses and to introduce a cap on the rent charged for metal in a queue. The Consultation Proposals were selected from eight

reform options outlined in a discussion paper first released in March 2015, aimed at addressing existing and potential future queues at LME warehouses, as well as the levels of rent and free-on-truck rates charged by warehouse companies. The Consultation Proposals including the following suggested changes to LME's warehousing policies:

- (i) to increase the minimum load-out rate for metal stored in LME-approved warehouses; and
- (ii) to introduce a cap on the rent charged for metal in a queue.

Increasing the minimum load-out rate is expected to speed up the reduction of queues by raising the minimum tonnage of metal that warehouses with a queue must load out on a daily basis, regardless of how much metal is loaded in. The new minimum daily load-outs for warehouses storing between 150,000 tonnes and more than 900,000 tonnes range between 2,000 tonnes and 4,000 tonnes a day, scaled according to the amount of metal stored. The introduction of queue-based rent capping would also help to provide further certainty as to the elimination of existing queues, and could prevent the occurrence of future queues. Warehouse companies that fail to deliver out queued metal within 30 calendar days would be required to halve the maximum published rent charged to the affected metal owners. After 50 calendar days no rent could be charged at all. This would remove any economic benefit for warehouse companies in maintaining a queue. To ensure no warehouse company is unfairly disadvantaged, it is recommended that queue-based rent capping be implemented with effect from 1 May 2016. By this time the market can expect remaining warehouse queues to be below the 50-day threshold, meaning that all warehouse companies will be equally impacted by the

implementation of the new measure. (Source: <https://www.lme.com/news-and-events/press-releases/press-releases/2015/07/lme-consults-on-new-warehouse-reforms/>, 1 July 2015)

POTENTIAL ZIJIN'S ACQUISITION OF AUSTRALIAN-LISTED MINING COMPANY

Zijin Mining Group (**Zijin**) has announced details of its proposed takeover offer to Australian-listed Phoenix Gold Ltd (**Phoenix**). On 22 June 2015, Zijin offered to pay AUD\$0.1 per share for each of Phoenix's not already owned by Zijin (**Acquisition Shares**). Zijin has also lodged an application to acquire up to 100% shareholding in Phoenix with Australia's Foreign Investment Review Board (**FIRB**). In its FIRB application, Zijin stated that it intended to acquire the Acquisition Shares in the name of its wholly-owned subsidiary Norton Gold Fields Ltd. Zijin is currently undertaking confirmatory due diligence with the ongoing cooperation from Phoenix. (Source: <http://www.asiaminer.com/news/latest-news/7000-m-and-a-zijin-advances-phoenix-takeover.html>, 19 July 2015)

GEM GLOBAL YIELD FUND LLC TO ACQUIRE SHARES IN MANILA-LISTED ABRA MINING

Manila-listed Abra Mining and Industrial Corp. (**AMIC**) had received a letter of commitment in relation to funding of PHP700 million (approximately US\$15.4 million) from Luxembourg-based Gem Global Yield Fund LLC. The funding will take the form of a straight equity acquisition of AMIC's shares. The proceeds will be used to progress operations at AMIC's high grade Baticang lime project. Part of the proceeds will be allocated to relaunching of AMIC's Patok Gold Project. (Source: <http://www.philstar.com/business/2015/07/10/1475106/abra-mining-secures-p700-m-funding-european-firm>, 10 July 2015)

EBRD ESTABLISHES NEW FUND TO REHABILITATE CENTRAL ASIAN URANIUM SITES

The European Bank for Reconstruction and Development (**EBRD**) has announced that it plans to establish a new fund to deal with uranium mining and processing in the Kyrgyz Republic, Tajikistan and Uzbekistan. The fund will finance projects to rehabilitate high-priority mining sites. The accumulated amount of radioactive contaminated material in the region is a threat to the environment and to the health of the

population. Many of the uranium legacy sites are concentrated along the tributaries to the Syr Darya River, which runs through the densely populated Fergana Valley, the agricultural centre of the region which is shared by the Kyrgyz Republic, Tajikistan and Uzbekistan. The new fund is being established at the request of the European Commission, which has agreed to provide €8 million initially. The EBRD has been managing nuclear safety and decommissioning funds on behalf of the international community since 1992, when the G7 decided to create the Nuclear Safety Account to deal with the legacy of Soviet-era nuclear facilities and equipment. (Source: <http://www.ebrd.com/news/2015/ebrd-sets-up-new-fund-for-central-asias-uranium-mining-legacy.html>, 17 June 2015)

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