OPENING OF THE STOCK EXCHANGE OF NEWCASTLE, 21 MARCH 2000

ADDRESS BY MR STEVEN PRITCHARD, CHIEF EXECUTIVE OFFICER, STOCK EXCHANGE OF NEWCASTLE LIMITED

Thank you Mr Simmons

The Honorable Joe Hockey, Minister for Financial Services and Regulation, Lord Mayor Councillor John Tate, State and Federal members of Parliament, representatives of the Australian Stock Exchange and ASIC, distinguished guests, Ladies and Gentlemen

On behalf of the Board, and the Members of the Stock Exchange of Newcastle Limited, I would like to welcome you all here today for the historic reopening of the Exchange.

We believe this to be a particularly important day, not only for our region but also with ramifications for investment markets nationally.

As many of you may be aware, while the Exchange was originally founded in 1937, it has in effect been dormant since the late 1980s.

Today's proceedings have many parallels with that day some sixty three years ago when the Exchange first opened.

We have present with us today, representatives of some of those same organisations that were present at the opening of the Exchange at that time.

To quote from the Newcastle Stock Exchange's first chairman Mr. J. J. Price, at the opening of the Exchange in 1937. "To-night marks an epoch in the commercial life of this City. For very many years Newcastle has been more or less a Cinderella" and I believe that those comments made all those years ago are as equally relevant today.

However, there are some differences this time. While we certainly have as an aim to contribute to boosting the local economy by providing a capital market

for business in the region, we also have a national, and possibly international, dimension to our aspirations.

NSX is, along with the Australian Stock Exchange, one of only two exchanges in the country authorised to operate under the Corporations Law.

However, we are not setting up as a competitor to the ASX. In fact, our good friends at the ASX have been very helpful, especially on the technology side, in helping us to get re-established again.

What we are doing is providing a supplementary market to the ASX, just as the Alternative Investment Market has become supplementary to the Stock Exchange of London and NASDAQ is an adjunct to Wall Street.

So we are offering something different to both investors and organisations seeking to list on NSX.

Our listing requirements are flexible while imposing constraints of quality around companies that may list and this enables us to attract large as well as smaller organisations which have growth potential.

Our history has also shown that by being a local capital market we can provide an economic boost to our region.

The closure of the BHP steel making facility has allowed the City and the region to at last, start to dispel the image held by some people, many of whom have never even been here, of a dirty and grimy industrial centre.

It is my firm belief that just as Cinderella changed into a beautiful princess, so will the Newcastle region over time become known for its natural beauty.

Of course, while we all appreciate the cleaner environment in which we now live, it has not come without cost, and that cost of course has mostly been felt in the lost employment previously supplied by the BHP steelworks to the City for the last 70 years.

In order for Newcastle and its surrounding regions to grow and prosper, and to provide its inhabitants with the lifestyle that they and their children and their childrens' children desire, it will be necessary for the region to attract new and additional investment in its commercial and industrial enterprises.

The Federal Government, in order to assist in this process after the closure of the BHP steel works established the Newcastle Structural Adjustment Fund, one of the outcomes from which was of course the renaissance of the Stock Exchange of Newcastle Limited.

In this regard we are grateful to Senator Ian Macdonald, Federal Minister for Regional Services, Territories and Local Government, whose department administers the fund which provided a grant of $600,000 to assist with establishing our electronic trading system.

It is widely recognised that the leading sectors of the 21st century economy, will be financial services, health care and telecommunications and with the reopening of the Exchange, Newcastle now has the foundation, to develop and build a strong and vibrant financial services sector, contributing to the economy nationally.

We would expect to see over time the establishment of a number of new financial services businesses as a direct result of the Exchange.

The Exchange's listing rules are designed to cater for the needs of small, medium and regionally based businesses as well as larger businesses which may not be structured to list easily on the ASX.

For some smaller businesses, despite their growth potential, it is difficult to attract additional equity capital with which to fund their continued growth.

In many cases, in order to gain access to this additional equity capital, it has been necessary for many businesses not just to leave this region, but to go overseas in search of such capital.

With the opening of the Exchange, and the new fund raising rules under the Corporations Law, which came into force on the 13th March 2000, we expect

that it will now be easier for such businesses to raise this additional equity capital within Australia.

The benefits that an Exchange like Newcastle can bring not only to the region where it is based, but to the Australian economy as a whole are already beginning to be recognised, by such major institutions as Salomon Smith Barney and Westpac which are either in the process of becoming or are participating organisations of the Exchange.

The Stock Exchange of Newcastle Limited will be a fully electronic exchange, with trading taking place via the Newcastle Electronic Trading System known as NETS.

NETS is a derivative of the Australian Stock Exchange Limited's SEATS and is widely acknowledged as world leading technology.

Of course, to undertake a project, such as the establishment of a stock exchange, many people are involved, and the Exchange owes a great deal of thanks to people such as Bill Fuggle and Astrid Raetze of Baker & McKenzie, Chris Hamilton and Peter Brouggy of the Australian Stock Exchange Limited, and of course to Malcolm Rodgers and Catherine Paul of the Australian Securities & Investments Commission for all the work and effort they have put in to make today possible.

The Exchange would like on this occasion to pay a special tribute to the late Barry Rees, who is represented here to day by his widow Shirley. Barry put in a tremendous amount of work for the Exchange and I am sure that if he were here with us today he would be very proud to see what has been achieved.

I am sure that in 10 years time we will be able to look back on today and repeat the comment made by Mr Price some 63 years ago that "Probably no city in Australia has progressed so much relatively as has Newcastle within the last decade''

I would now like to call on the Honorable Joe Hockey, the Minister for Financial Services and Regulation, to officially open the Exchange.