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Australian firms offered route to US investors

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By: Staff Reporter

Australian small-cap companies wanting to gain access to US investors without the high cost of exchange regulation should look at using electronic global trading platform OTCQX, says Stephen Nash of fund manager Merriman Curhan Ford & Co.

Mr Nash, who is the head of the OTCQX advisory group for Merriman Curhan, said the decentralised electronic global trading platform is significantly cheaper than listing on the Nasdaq, but offers companies the chance to increase their market cap via both institutional and retail investors.

The platform was created by the New York-based centralised quotation service Pink Sheets, which trades over-the-counter stocks on a real-time exchange. OTCQX aims to showcase companies already listed elsewhere in the world.

It is designed to meet the needs of small to medium sized, publicly-traded US companies and non-US companies, but only those listed on qualified international stock exchanges where disclosure requirements are high.

Investment banks, such as Merriman Curhan Ford, can act as sponsor to Australian companies, which Mr Nash told *Business Spectator* is key to strong corporate investor relations.

"I can't stress enough the importance of having a good sponsor," said Mr Nash.

The director of business development international OTCQX, Andrew Kyzyk, said Australian issuers to date include Oxiana, Linc Energy Ltd, Phosphogenics, Starpharma Holdings and Pryme Oil & Gas Ltd.

Mr Kyzyk said Australian companies make up 19 per cent of all QX listed issuers, and have an aggregate market capitalisation of \$US4.9 billion.