

HD Denham Capital commits \$200m to coal play

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WC 232 words

PD 7 May 2014

SN Business News

SC WABN

LA English

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Private equity fund Denham Capital has launched its first Australian mining investment, committing \$200 million to newly-formed coal venture Pembroke Resources in a deal spearheaded by the firm's Perth-based mining team.

Denham, which last year shifted its Asia Pacific head office from Singapore to Perth, will back Pembroke's plans to acquire and develop a portfolio of metallurgical coal assets.

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Pembroke is led by chief executive Barry Tudor and chief operating officer Mark Sheldon, who previously served as executives at former ASX-listed miner Gloucester Coal.

Gloucester Coal merged with Chinese state-owned giant Yancoal Australia last year in a deal worth about \$640 million.

Denham partner Bert Koth, who heads up the firm's Perth-based Australasian region, said Pembroke's directors had delivered strong results in the coal sector.

"The work Barry and his team did at Gloucester Coal delivered one of the great success stories in the Australian coal industry," he said.

"We are very excited to back such a proven group as the market's current weakness provides an ideal opportunity to build a new mid-tier metallurgical coal company."

Pembroke said Denham would provide the company with a competitive advantage through its strategic, operational and financial backing.

Boston-based Denham has more than \$7.9 billion of invested and committed capital across seven fund vehicles.

CO cenim : Gloucester Coal Ltd | denhc : Denham Capital Management LP | yaptl : Yancoal Australia Limited | yankua : Yankuang (Group) Corp | ynzmn : Yanzhou Coal Mining Co Ltd

IN i1 : Energy | i111 : Coal Mining | i112 : Coal Mining Support Activities | i81502 : Trusts/Funds/Financial Vehicles | i8150203 : Private Equity | ialtnv : Alternative Investments | ibasicm : Basic Materials/Resources | ifinal : Financial Services | iinv : Investing/Securities | imet : Mining/Quarrying

RE austr : Australia | wastr : Western Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

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AN Document WABN000020140507ea5700001