

SE Business
HD **BHP puts Goldman on sale of Nickel West**
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Nickel West workers are bracing for a year of uncertainty as **mining** giant BHP Billiton embarks on a formal campaign to sell the underperforming **mining** and processing wing.

After slashing the book value of the operation by \$US1.6 **billion**, BHP is believed to have appointed international investment bank Goldman Sachs to find a buyer.

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The Goldman Sachs appointment leaked over the weekend via The Australian Financial Review after speculation building out of London last week that BHP was offloading its WA poor relation.

The nickel arm has been starved of capital and sits outside BHP's favoured areas of **iron ore**, **coal**, petroleum and **copper**.

The **sale** push puts the jobs of up to 2000 employees and contractors in play and fans fears that BHP could close all or part of the division if it cannot reach acceptable sales terms.

Australian Workers Union State secretary Stephen Price said BHP had a history of either selling or shutting a business it had decided to exit.

"History shows that if an asset is not performing, they will shut it and deal with the fall out," Mr Price said. "I would prefer it to be sold rather than closed."

Nickel West includes Mt Keith and Leinster sulphide nickel mines, a nickel concentrator and smelter at Kalgoorlie, and its Kwinana refinery.

All or parts of the business could be attractive to fellow WA nickel players GlencoreXstrata, Western Areas and First Quantum, which revived the Ravensthorpe nickel mine two years ago after it was shut by BHP.

One industry source said Canadian group Sherritt could also be in the market for the integrated WA nickel group. It is cash up after selling its **coal** division in December.

GlencoreXstrata, owner of the Minara laterite operation, has also declared an interest in Nickel West. GlencoreXstrata chief Ivan Glasenberg said last week the **company** would "kick the tyres" of Nickel West.

Western Areas chief Dan Lougher was not available.

The Forrestania miner was unlikely to be a buyer of the entire division but could play a role in the **sale**, at the very least as a supplier of high-quality **ore** to Nickel West that complements feedstock from its mines. Western Areas' offtake deal with **Chinese** group Jinchuan expires in February. BHP declined to comment.

CO tauwku : The Australian Workers' Union | bkhlp : BHP Billiton Ltd | gldmns : The Goldman Sachs Group Incorporated | bltplc : BHP Billiton PLC

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