

**HD Corporate News: Billionaire Bets on Commodities**

**BY** By Ross Kelly

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SYDNEY -- Electrician-turned-billionaire Nathan Tinkler was a poster child of Australia's mining boom -- and its rapid downturn.

A lavish lifestyle paid for by windfall mining profits began to unravel when coal prices started tumbling in late 2011, culminating in forced sales by Mr. Tinkler of private jets and racehorses.

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The 38-year-old Australian businessman is now seemingly betting that a recovery in commodity prices will revive his personal fortune, after signing a deal to buy Peabody Energy Corp.'s idled Wilkie Creek mine in Queensland state.

A company controlled by Mr. Tinkler, Bentley Resources, agreed to buy the mine for US\$70 million, plus liabilities related to its closure in December, a spokesman for St. Louis-based Peabody said on Wednesday.

Although relatively small, the surprise deal indicates that Mr. Tinkler isn't yet down-and-out amid continuing speculation about the health of his personal finances. A spokesman for Mr. Tinkler said the purchase price, including all liabilities, totaled about 150 million Australian dollars (US\$140 million). Mr. Tinkler wasn't available to comment on Wednesday.

"There's no doubt a smaller and leaner Wilkie Creek operation could be run profitably, but it's hard to see coal prices bouncing back any time soon," said Matthew Trivett, a Brisbane-based mining analyst at Patersons Securities. "What the market needs is less supply, rather than new mines coming on line."

Mr. Tinkler, who set up his own maintenance business at age 26, rose to prominence about four years ago after a series of bold bets on undeveloped coal properties paid off handsomely. His finances, however, became increasingly stretched when China's economy cooled and prices for thermal coal used to generate electricity fell sharply.

Mr. Tinkler last year offloaded his biggest investment, a 19.4% stake in Whitehaven Coal Ltd., to lenders including U.S. hedge fund Farallon Capital Management LLC, which paid more than A\$300 million for just over half of the stake. Mr. Tinkler also has sold residential properties and horses, and has been trying to sell his horse stud company Patinack Farm.

A decision on the future ownership of the Newcastle Knights rugby team, currently owned by Mr. Tinkler, has been deferred to allow for further talks between him and league officials, the National Rugby League said March 31.

However, the overall state of Mr. Tinkler's finances remains unclear.

In March last year, he revealed to a Sydney court that his family trust had liabilities of roughly A\$600 million, but some of those may have been met by proceeds from the Whitehaven stake sale.

The businessman faced court action after liquidators took control of one of his companies, Mulsanne Resources, when a deal to buy a one-third stake in Brisbane-based coal developer Blackwood Corp. fell through. The case has since been settled.

Now residing in Singapore, Mr. Tinkler is on Friday due to appear before Australia's anticorruption watchdog, which is investigating political donations by companies to lawmakers in Australia's New South Wales state.

The Independent Commission Against Corruption is checking if Mr. Tinkler's Buildev **property-development company** offered money to the conservative Liberal Party that might have breached donation rules. Mr. Tinkler has denied any wrongdoing in the matter.

**Coal** prices, meanwhile, are still languishing near multiyear lows as new mines that were planned to capitalize on earlier high prices have flooded the market with supply. Thermal-**coal** prices in Australia have been trading near their lowest level since late 2009, while metallurgical **coal** used in steelmaking is near a seven-year low.

The harsh conditions have forced producers such as Peabody and BHP Billiton Ltd. to lay off workers, sell assets or close **operations**. Peabody last year attributed the closure of Wilkie Creek and the related loss of 200 jobs to low **coal** prices and higher costs.

It had been trying to sell the mine, with a total output capacity of two **million** metric tons a year, since 2012.

Australian **mining company** New Hope Corp. recently said it expects global **coal** markets to remain awash with supply and prices to remain weak for at least another year.

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**CO** pbdy : Peabody Energy Corp | lehbro : Lehman Brothers Holdings Inc

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