

**HD Nathan Tinkler's coal-mining comeback crumbles****BY** By Jeremy Grant in Singapore**WC** 502 words**PD** 28 August 2014**ET** 19:51**SN** Financial Times (FT.Com)**SC** FTCOM**LA** English**CY** Copyright 2014 The Financial Times Ltd. All rights reserved. Please do not cut and paste FT articles and redistribute by email or post to the web.**LP**

Nathan Tinkler's hopes for a comeback in the coal industry have been dealt a serious blow by the collapse of the Australian entrepreneur's deal with Peabody to buy the US coal producer's Wilkie Creek coal mine in Australia.

Mr Tinkler's Singapore-based Bentley Resources made a non-refundable payment for the mine when it agreed to the deal in May. But it had failed to follow up with further instalments, Peabody said.

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Bentley was "unable to meet its subsequent obligations for closing", Peabody said in a statement on Thursday. As a result the US company had terminated the sale agreement and was "evaluating its alternatives" for the Wilkie Creek mine.

Two people familiar with Mr Tinkler's business dealings confirmed that he had failed to make a so-called "milestone" payment agreed in a contract with Peabody.

The development comes only three months after Peabody and the 38-year-old Mr Tinkler inked the \$150m Wilkie Creek deal. Benchmark Australian thermal coal prices have sunk 5 per cent since then and are down 18 per cent to date this year.

The Australian coal sector is enduring its biggest shakeout in years amid a two-year slump in the coal price, a plethora of relatively high-cost mines and a strong Australian dollar.

Australian miners have shed thousands of jobs as they mothball high-cost mines, sell non-core assets and drive efficiencies across their operations. Peabody closed Wilkie Creek, in Queensland, in December 2013 after failing to find a buyer.

Mr Tinkler had hoped to use Wilkie Creek to spearhead his re-entry into the coal business. The former billionaire crashed out of the industry in 2012 after a sharp drop in coal prices left him heavily exposed to creditors.

Mr Tinkler, who now lives primarily in Singapore, told the Financial Times in May that he was investing in Wilkie Creek because he believed there would be demand for higher quality, low-emission coal as a result of government pressure - especially in China - for greater use of more environmentally friendly grades of the fuel.

"While the market is oversupplied, we are still in a market where I believe high-quality thermal coal is hard to secure, so now is the time to buy it," he said at the time.

Mr Tinkler was for several years listed as the richest man in Australia under 40, after he amassed a huge paper fortune based on a series of deals in the coal business, starting with a A\$30m investment in a Queensland coal licence.

That culminated in the sale of assets to Whitehaven Coal for A\$2.7bn three years ago. Mr Tinkler then made a A\$5.3bn bid for Whitehaven in 2012, which collapsed after coal prices fell.

That sparked lawsuits in Australia against Mr Tinkler to recover unpaid debts - put at a reported A\$500m last year.

Additional reporting by Jamie Smyth and Xan Rice

**CO** brgol : FYI Resources Ltd | pbdy : Peabody Energy Corp

**IN** imet : Mining/Quarrying | i111 : Coal Mining | i1 : Energy | ibasicm : Basic Materials/Resources | i951 : Health Care/Life Sciences

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