



**HD** **China** : **CHINESE** backing in Australian resources sector obtained by Cuesta **Coal**

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**SN** Mena Report

**SC** MENREP

**LA** English

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**LP**

Beijing Guoli **Energy**, the major shareholder of Cuesta **Coal**, will raise its **stake** in the Australian **coal company** from 36% to 54%. This will observe BGE invest AUD 15 **million** into the **company** through two separate share placements. The attempt is the newest in a series of **Chinese** investments in the Australian resources sector. Cuesta **Coal** said that it was pleased with the value of the deal, as it noted that an issue price of 10.3% represented a premium to the last traded price. The funds will be put towards advancing the definitive feasibility study for the Moorlands **coal** project, in addition to repaying an AUD 5 **million** convertible note liability associated with the **purchase** of the Orion **coal** project in 2012. BGE s subsidiary, Longluck Investment, will place AUD 8.5 **million** into Cuesta through the issue of about 82.5 **Million** new ordinary shares. This will be followed 3 months later with a further placement of AUD 6.5 **million** through the issue of about 63.1 **million** new ordinary shares.

**TD**

Mr Matthew Crawford MD of Cuesta **Coal** said that The funding agreement announced today with Beijing Guioli significantly strengthens the **company** s balance sheet and allows us to continue to work towards achieving development objectives at Moorlands, in particular the operational focus on advancing the definitive feasibility study. This is particularly pleasing given the challenging market conditions currently faced by emerging **coal** companies and the limited availability of funding. Mr Crawford said that BGE s total investment in Cuesta will be AUD 47 **million**. In addition the continued support of BGE will increase the likelihood of securing favourable project finance funding for the construction phase of Moorlands.

**CO** ccoalz : Cuesta Coal Limited

**IN** i1 : Energy | i111 : Coal Mining | ibasicm : Basic Materials/Resources | imet : Mining/Quarrying

**NS** c173 : Financing Agreements | c17 : Funding/Capital | ccat : Corporate/Industrial News | ncat : Content Types | nfact : Factiva Filters | nfcpin : FC&E Industry News Filter

**RE** china : China | austr : Australia | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | bric : BRIC Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | easiaz : Eastern Asia

**IPD** Minerals and Mining

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