



HD Several Japanese Firms Acquire Overseas **Coal** Assets; Sumitomo Corporation acquires assets in Australia and Idemitsu Kosan assets in Indonesia

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While **Chinese** firms including Baosteel Group Corporation have been working toward to impound excellent **coal** assets, several Japanese firms have been acquiring **coal** assets in Australia, etc. one after the other for these two months or so.

Firstly, Sumitomo Corporation obtained the interest in Clermont **coal** mine, a large-size thermal **coal** mine in the State of QLD in cooperation with Glencore plc on June 2.

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GS **Coal** Pty Ltd in which Sumitomo and Glencore have a 50% investment respectively has obtained a 50.1% interest in Clermont **coal** mine from Rio Tinto plc. The interest **purchase** amount is a total of US\$1.015 **billion**.

Accordingly, the interest in Clermont **coal** mine has been 50.1% owned by GS **Coal**, 31.4% by Mitsubishi Corporation, 15.0% by J-Power and 3.5% by Japan **Coal** Development Co., Ltd. (JCD).

In this regard, Sumitomo and Glencore indirectly have a 25.05% interest respectively in Clermont **coal** mine through GS **Coal**.

Clermont **coal** mine is an opencast thermal **coal** mine in the Bowen Basin, QLD and the production volume of saleable **coal** in FY2012/13 (one year ending on 30 June 2013) was 10.287 **million** tons, and the **coal** export volume was 9.968 **million** tons, of which 4.824 **million** tons was exported to Japan.

What's more, Idemitsu Kosan Co., Ltd. acquired 12% of shares in PT Mitrabara Adiperdana (MA), a **coal mining company** in Indonesia on July 10.

MA is an affiliated **company** of Baramulti Group, a **mining company** in Indonesia and now running Malinau opencast **coal** mine in the North Kalimantan.

The type of **coal** produced at Malinau **coal** mine is low-sulfur, low-ash subbituminous **coal** (Sul: 0.15%, Ash: 3.5% and CV: 5,500kcal/kg), and 2.5 **million** tons of **coal** is expected to be produced in 2014. Furthermore from 2015 onwards, the production volume is supposed to be fortified to 4Mtpa.

Idemitsu Kosan obtained 3% of shares in PT Baramulti Saksessarana Tbk, an affiliated **company** of Baramulti Group in November 2012. The **Company** is now running Antang Gunung Meratus (AGM) **coal** mine in the South Kalimantan.

The type of **coal** produced at AGM **coal** mine is low-sulfur, low-ash subbituminous **coal**, and the **coal** production volume will be lifted to over 7Mtpa in the future.

Idemitsu Kosan has a thought of further strengthening the relationship with Baramulti Group based on **acquisition** of shares in MA and expanding the export of **coal** produced by this group predominantly to Japan and other Asian countries.

In the meantime, on May 16, Sojitz Corporation made an agreement with U&D **Coal** Limited, Australia to set up a joint venture (JV) for the purpose to promote Meteor Downs South project (MDS project) in QLD on a conjoint basis.

MDS project aims to exploit MDS opencast **mining** area as part of Orion Downs project planned by U&D**Coal** in the Bowen Basin, QLD. At this **mining** area, 1.5Mtpa of thermal **coal** is expected to be produced.

Sojitz will be able to obtain a 50% interest in MDS project by bearing **coal** development cost, etc.

MDS opencast **mining** area is located 65 km to the southeast of Minerva opencast **coal** mine run by Sojitz. In light of the **coal** resource at Minerva **coal** mine being depleted in 2018 - 2019, Sojitz plans to develop several **mining** areas around this **coal** mine including MDS opencast **mining** area.

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