

SE Business  
HD **Chinese** tip another \$15m into Cuesta **Coal**  
BY Sarah-Jane Tasker  
WC 390 words  
PD 20 May 2014  
SN The Australian  
SC AUSTLN  
ED Australian  
PG 28  
LA English  
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**MINING:** The **Chinese** are continuing their support of Australian **coal** projects, despite tough market conditions.

Cuesta **Coal** yesterday said its major shareholder, state-owned Beijing Guoli **Energy** Investment **Company**, would inject \$15 **million** into the **company** via two separate share placements to increase its **stake** from 36 per cent to 54 per cent.

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"The funding agreement ... with Beijing Guoli significantly strengthens Cuesta's balance sheet and allows Cuesta to continue to work towards achieving its development objectives at Moorlands, in particular the operational focus on advancing the definitive feasibility study," managing director Matthew Crawford said.

"This is particularly pleasing given the challenging market conditions faced by emerging **coal** companies and the limited availability of funding." Crawford said that following the completion of both tranches of the share placement, the **Chinese company** would have invested \$47m in Cuesta.

"The continued support of Beijing Guoli will increase the likelihood of securing favourable project finance funding for the construction phase of Moorlands," he said.

The Moorlands project is an open-cut thermal coalmine 30km north west of Clermont in Queensland's Bowen Basin. The **company** is hoping to have it in production by 2016.

Australia's thermal **coal** market has been struggling with a combination of low prices and high costs. Analysts say the sector is ripe for merger and **acquisition** activity.

Nathan Tinkler re-entered Australia's **coal** space last week, with the \$150m **purchase** of Peabody **Energy**'s Wilkie Creek thermal coalmine in Queensland.

Several projects are being mothballed and expansion plans scaled back because of market conditions, while Brazil's Vale announced over the weekend it would close its Integra coalmine in the Hunter Valley region of NSW. It said the decision to place the mine on care and maintenance was because of unsustainable financial losses at the operation.

The Construction Forestry **Mining** and **Energy** Union said yesterday 500 jobs were at risk, which would have devastating consequences for Singleton.

"Workers are angry and upset about losing their jobs," CFMEU northern **mining** and NSW **energy** district president Peter Jordan said. "But people are also looking for clarity about whether Vale intends to resume production at the mines." "Vale must not be allowed to use a break in production to replace a local, permanent workforce with a casualised, commuting workforce."

CO ccoalz : Cuesta Coal Limited  
IN imet : Mining/Quarrying | i111 : Coal Mining | i1 : Energy | ibasicm : Basic Materials/Resources

**NS** ccat : Corporate/Industrial News

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

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**AN** Document AUSTLN0020140519ea5k00009