

HD Nathan Tinkler makes **coal-mining** comeback with \$150m **purchase**

BY By Jeremy Grant in Singapore

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Nathan Tinkler, the Australian **mining** entrepreneur, has signalled a comeback in **coal** with the \$150m **purchase** of a Queensland mine from Peabody **Energy** of the US, almost two years after the collapse of a multibillion-dollar bid for one of Australia's biggest miners.

"It's me re-entering the **coal** sector, yes," Mr Tinkler said in a telephone interview. He added that he had secured bank financing to help buy the Wilkie Creek mine in Queensland's Surat Basin, at which production was halted in December.

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The 38-year-old 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.

Last year, Reuters reported that Mr Tinkler, who recently left Australia for Singapore, handed shares to creditors to pay back debts of A\$634m and still owed them A\$100m.

Asked how much he now owed any creditors, Mr Tinkler said: "I am not a public **company** so I am not going into that."

Mr Tinkler acknowledged that the **coal** market was faced with significant oversupply but said: "I think we are at the bottom of the cycle. But whether we are at the bottom or not I'm certain this is the 'value' part of the cycle.

"It may be [a] relatively small deal, but who else do you see out there spending money on thermal **coal**?"

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<>Mr Tinkler said he was buying 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.

"They [**China**] want to drop emissions and they want their people to breathe clean air. At the moment people are burning so much **coal** that they are being forced to take on a lower **coal** quality to meet their own demand. So when this high quality **coal** is available, people will be prepared to use it," Mr Tinkler said.

He said he had secured financing for a proportion of the \$150m from Jefferies, the US investment bank.

Production would restart at Wilkie Creek "towards the end of the year". Under Peabody, 80 per cent of the **coal** at Wilkie was exported to Japan and South Korea. Asked if he had any buyers for the **coal**, Mr Tinkler said: "There are a number of contracts that are able to be rolled over [from the time of production under Peabody] and we will be renegotiating them before we put the mine back into production."

The closure of Wilkie Creek resulted in the loss of 200 jobs. Mr Tinkler, who started out as a pit electrician at a mine in 1993, said: "'We'll be rehiring a lot of those people."

CO pbdy : Peabody Energy Corp | whcmpl : Whitehaven Coal Limited | lehbro : Lehman Brothers Holdings Inc
IN imet : Mining/Quarrying | i111 : Coal Mining | i1 : Energy | ibasicm : Basic Materials/Resources
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