

SE News  
HD Miner in \$26m buyout offer  
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NORTH Queensland **mining company** Guildford **Coal** may soon be foreign owned with a Singapore **group** offering to buy their assets for \$26.5 **million**.

The **board** yesterday confirmed they had accepted the offer from Singapore-listed construction and civil engineering **group** Sino Construction to acquire the **group**'s Australian **coal** assets for \$US25 **million** (\$26.5 **million**) and a royalty of US35c (37.2c) paid to Guildford on **coal** sales.

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Guildford has been a major community sponsor in the region including to national sporting teams the North Queensland Cowboys and Townsville Fire.

It has also provided more than \$700,000 to community events and groups in North Queensland as part of relationship building, led by the **company**'s stakeholder relations manager, former Townsville mayor Tony Mooney.

Former Townsville-based Liberal MP Peter Lindsay is a former Guildford **Coal** chairman, while former Labor Thuringowa MP Craig Wallace is a **board** director.

Guildford managing director Peter Kane yesterday said in a statement the **board** had reached agreement with Sino Construction to enter into a term sheet to acquire all of the **company**'s Australian **coal** assets.

The **sale** is expected to be completed during the next few months, subject to conditions including due diligence, shareholder, regulatory and third party approvals and entry to a management agreement between Guildford and Sino Construction.

Under a proposed management agreement and fee, Guildford would be appointed manager of the Australian **coal** assets with first right to be appointed contract miner for each asset that moves into **commercial** production.

The **company**, which has an office in Townsville, wants to develop a mine on tenements it controls on Clyde **Park** Station near Hughenden and export up to 10 **million** tonnes a year of thermal **coal** via the Mount Isa to Townsville rail line and Townsville port.

The Department of Natural Resources recently approved renewals of its Clyde **Park** exploration permit for **coal** for two years to 2016 and for its Hughenden Project permit for four years to 2018. The assets of Guildford subsidiary Terra **Energy**, which is negotiating to sell **coal** into **China**, are not part of the **sale**.

CO gudclm : Guildford Coal Limited

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