

# Kalgoorlie Miner

SE WestReg  
HD **BHP shelves Nickel West sale** as bids disappoint  
BY Nick Evans  
WC 283 words  
PD 12 November 2014  
SN Kalgoorlie Miner  
SC KALGOO  
ED First  
PG 1  
LA English  
CY (c) 2014 West Australian Newspapers Limited  
LP

BHP Billiton has shelved the \$800 million sale of its Nickel West division after failing bids for the troubled Goldfields-based unit failed to meet its price expectations.

BHP would not comment on the decision late last night.

TD

It remains unclear what BHP now plans to do with a business that employs about 1800 people across its mines, concentrators, nickel smelter and refinery.

BHP chief executive Andrew Mackenzie has made clear he does not want to hold on to the business, and it also has not been lined up for the newly created company, NewCo, that will house some of BHP's second tier assets.

These include the Worsley alumina operation and manganese mines.

Industry sources say final bids for Nickel West were lodged by the small number of parties still interested in the division some time in the past fortnight.

However, none of the bids came close to the \$500 to \$800 million valuation BHP is said to have initially put on Nickel West.

Interested buyers were understood to have included Glencore, which owns the Murrin Murrin mine near Leonora, and China's Jinchuan, which buys nickel concentrate from Western Areas' Forrestania operation.

Industry sources say the most likely short-term outcome for Nickel West is that it will remain within BHP.

It could be spun off as a separate company next year once NewCo is sorted.

A shutdown of Nickel West is considered unlikely because of the reputational damage it would cause BHP.

Memories are still fresh of the backlash created by its snap decision to close the Ravensthorpe nickel mine in 2009 when more than 2000 jobs were lost.

CO bkhlp : BHP Billiton Ltd | bltplc : BHP Billiton PLC  
IN i211 : Metal Ore Mining | ibasicm : Basic Materials/Resources | imet : Mining/Quarrying  
NS ccat : Corporate/Industrial News  
RE austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania  
PUB West Australian Newspapers Limited

**AN**

Document KALGOO0020141111eabc0000a