



---

## Coal Market Transaction Watch

---

**January 2018**

Rio Tinto and Anglo Coal have dominated this scene with their divestment of coal assets in 2016 and 2017.

In early 2016, Rio Tinto completed the sale of its 40% interest in the Bengalla Joint Venture to New Hope Corporation Limited for US\$616.7 million. The sale consideration was AU\$865 million converted into US\$616.7 million at the spot rate of 0.713. On the 5<sup>th</sup> of August, Rio Tinto announced that it had completed its sale of Mount Pleasant. The total sale consideration of US\$220.7 million converted into AU\$292.3 million at the spot rate of 0.755.

In January 2016, Anglo Coal sold Callide through a sale of shares for an undisclosed amount. Then in April, Anglo Coal sold Foxleigh to Taurus Fund Management via a sale of shares also for an undisclosed amount.

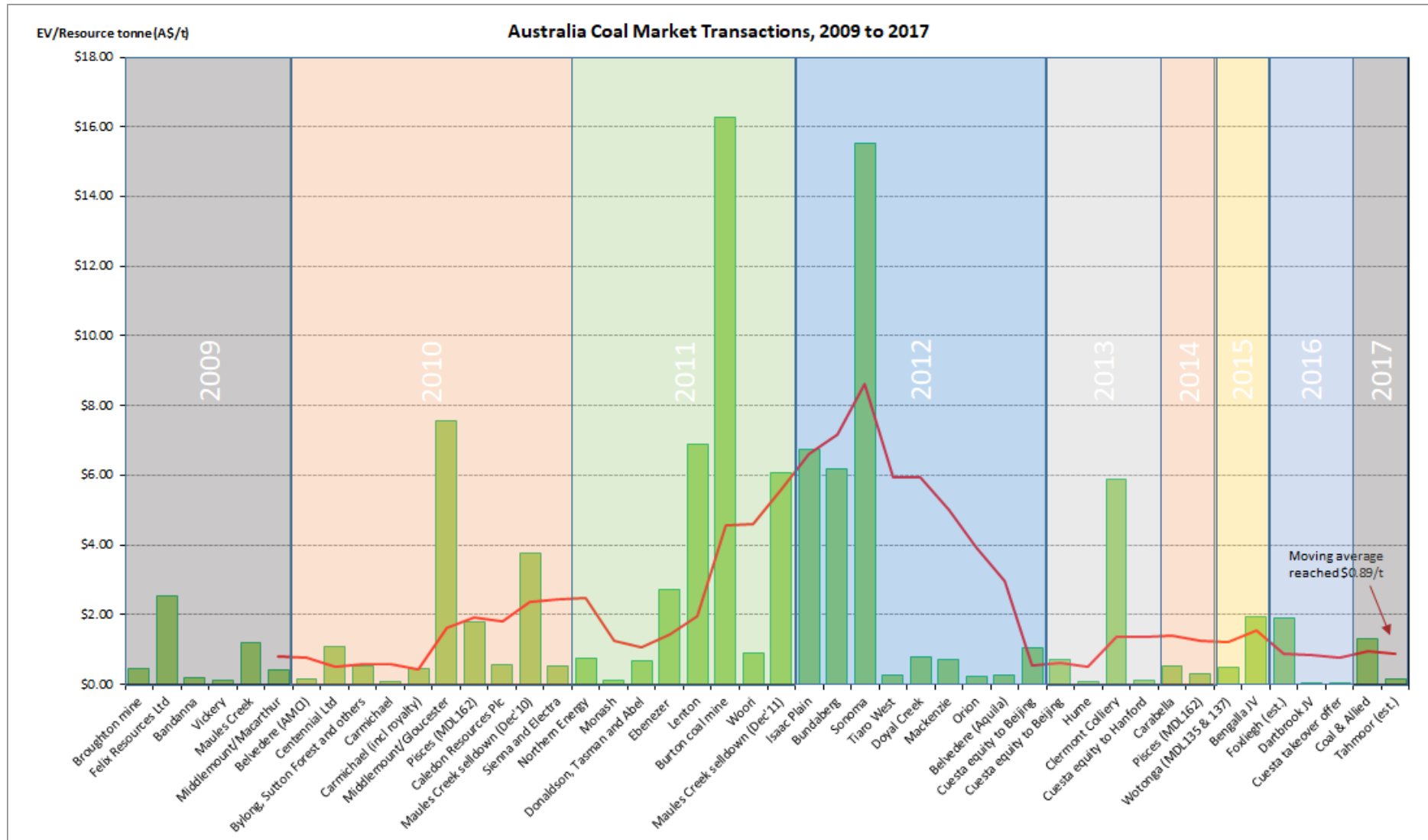
In May, Australia Pacific Coal bought Dartbrook from Anglo and Marubeni for a total of AU\$30M cash payment and royalties on coal sold.

In July 2016, Longluck Investment (Australia) Pty Ltd made an offer of \$0.02485 per Cuesta Coal Ltd share that it does not already own. Longluck is a wholly owned subsidiary of Beijing Guoli Energy Investment Co., Limited.

In September 2017, Rio Tinto has completed the sale of its wholly-owned subsidiary Coal & Allied Industries Limited to Yancoal Australia Limited for a total consideration of \$2.69 billion. The Coal & Allied group holds a 67.6 per cent interest in the Hunter Valley Operations mine, an 80 per cent interest in the Mount Thorley mine, a 55.6 per cent interest in the Warkworth mine, a 36.5 per cent interest in Port Waratah Coal Services.

In December 2017, Glencore sold Tahmoor coking coal mine to GFG Alliance. The companies did not give the sale price, but several sources familiar with the sales process said the mine was likely to fetch around \$100 million.

The moving average indicator in the chart below shows that coal transaction per resource tonne have moved up from a low of AU\$0.46/t in 2013 to AU\$0.89/t currently. This moving average is more an indicator of coal property transaction activity rather than a benchmark of value as each property has its own unique value qualities that include, but not limited to, stage of development, available infrastructure, coal quality, quantity of coal resource and mining method.



**Disclaimer:** While reasonable care has been taken in the preparation of the information in this chart, Mineral Property Valuations does not make any express or implied representation or warranty as to the quality, completeness, reliability, accuracy or relevance of the information in this chart. To the fullest extent permitted by law, Mineral Property Valuations will not be liable for any loss or damage, whatsoever and howsoever caused, arising out of the use of the information in this chart.