

# GLENCORE

**Media Statement**

**25 November 2014**

**Sydney, Australia**

## **Glencore and Peabody Energy form Hunter Valley coal Joint Venture**

### **United and Wambo mines to combine open cut operations from mid-2017**

Glencore and Peabody Energy have agreed to form a 50:50 Joint Venture to develop a brownfield open cut coal project located between our existing United and Wambo mines in the NSW Hunter Valley.

The Project is subject to relevant State and Federal approvals. It will not increase Glencore's overall annualised export tonnage from the Hunter Valley.

Expected to commence in mid-2017, the Project will realise major synergies between the two neighbouring operations. It will deliver optimal resource recovery and infrastructure use and significantly reduce operating and capital costs.

Output from some of Glencore's existing operations will decline by 2017, so the JV enables us to grow value for shareholders without growing volume.

The United-Wambo JV will combine leases held by United Collieries (Glencore 95% and CFMEU 5%) and Peabody's Wambo operations near Singleton.

Glencore continues to focus on aligning its portfolio and production with the prevailing market conditions. The JV will be managed by Glencore, with our share of production a maximum of 3 million tonnes per annum of saleable coal.

The announcement was welcomed by Peter Jordan, President of the CFMEU Northern Mining and NSW Energy District, who said the Project would provide continuity of employment for mineworkers. "It is very welcome news at a time when our region is suffering from substantial job losses in the coal industry", he said. "It will contribute towards job security and inject badly needed income into the regional community as well."

**Ends**

**For further information please contact:**

Francis De Rosa

O: +61 (0) 29253 6789

M: +61 (0) 417 074 751

[francis.de.rosa@glencore.com](mailto:francis.de.rosa@glencore.com)

Allyn Hamonet

O: +61 (0) 24925 6431

M: +61 (0) 418 228 075

[allyn.hamonet@glencore.com.au](mailto:allyn.hamonet@glencore.com.au)

**Notes for Editors**

**United Colliery**

United Colliery, which began operations in the Upper Hunter in 1979 as an underground mine, has been owned by Glencore and the CFMEU since 1999.

Underground operations at United finished in May 2010 and since this date the mine has been on care and maintenance.

**Wambo**

Wambo open cut & underground mine has been operating in the Upper Hunter since 1969. It was acquired by Peabody in 2006. The open cut produced 2.4 million tonnes of saleable coal in 2013.

**Glencore**

Glencore is one of the world's largest global diversified natural resource companies and a major producer and marketer of more than 90 commodities. The Group's operations comprise over 150 mining and metallurgical sites, oil production assets and agricultural facilities.

With a strong footprint in both established and emerging regions for natural resources, Glencore's industrial and marketing activities are supported by a global network of more than 90 offices located in over 50 countries.

Glencore's customers are industrial consumers, such as those in the automotive, steel, power generation, oil and food processing industries. We also provide financing, logistics and other services to producers and consumers of commodities. Glencore employs around 200,000 people, including contractors.

**Glencore's coal business in Australia**

Glencore is Australia's largest coal producer with 13 mining complexes across New South Wales and Queensland. We employ about 8,600 Australians and in 2013 managed the production of more than 80 million tonnes of thermal and coking coal, predominantly for export. We have a strong safety and environmental performance and play an active role in the development of low emission coal technology.