

# GLENCORE

**Glencore plc**  
**Baar, Switzerland**  
**20 March 2018**

## **GLENCORE TO ACQUIRE HAIL CREEK COAL MINE IN QUEENSLAND**

Glencore has reached agreement to acquire Rio Tinto's 82% interest in the Hail Creek coal mine and adjacent coal resources, as well as its 71.2% interest in the Valeria coal resource in central Queensland for a total cash consideration of US\$1.7 billion.

The remaining 18% of Hail Creek is currently owned by Nippon Steel Australia Pty Ltd (8%), Marubeni Coal Pty Ltd (6.67%) and Sumisho Coal Development Pty Ltd (3.33%). Each Joint Venture partner has the right to sell its share to Glencore through a "tag-along" right with respect to this transaction, which could result in additional consideration of up to US\$340 million.

The Hail Creek mine is located 120 kilometres south-west of Mackay and in 2017 produced about 9.4 million tonnes of coal for export from the Dalrymple Bay Coal Terminal.

In the 2017 financial year Rio Tinto's attributable share of Hail Creek was EBITDA of US\$408 million (US\$497 million on a 100% basis) with a pre-tax profit of US\$357 million (US\$435 million, on a 100% basis) and, including the Valeria resource, gross assets of US\$859 million (US\$1,013 million, on a 100% basis) at 31 December 2017.

Hail Creek is a large-scale, long-life and low-cost mine producing two-thirds premium quality hard coking coal and one-third thermal coal for export.

As at 31 December 2017, Hail Creek had JORC resources of 794 million tonnes with proven and probable reserves of 142 million tonnes.

The Valeria thermal coal deposit is located 265 kilometres west of Rockhampton and 67 kilometres south-east of our Clermont managed coal operation. It has JORC resources of 762 million tonnes.

The acquisition is subject to regulatory approvals and is expected to complete in H2 2018.

Glencore is already a significant contributor to the Queensland economy, employing more than 7,300 people across mining and minerals processing operations in coal, copper and zinc.

In 2017 Glencore operations contributed over A\$4.2 billion to the State economy in wages, goods and services, taxes and royalties, continued investment and community partnerships.

Our Australian coal business managed the production of more than 87 million tonnes of saleable coal last year from our 17 operational mines in Queensland and New South Wales.

Follow us on social media:



# GLENCORE

---

## For further information please contact:

### Investors

Martin Fewings	t: +41 41 709 2880	m: +41 79 737 5642	<a href="mailto:martin.fewings@glencore.com">martin.fewings@glencore.com</a>
Ash Lazenby	t: +41 41 709 2714	m: +41 79 543 3804	<a href="mailto:ash.lazenby@glencore.com">ash.lazenby@glencore.com</a>

### Media

Charles Watenphul	t: +41 41 709 24 62	m: +41 79 904 33 20	<a href="mailto:charles.watenphul@glencore.com">charles.watenphul@glencore.com</a>
Francis De Rosa	t: +61 2 8247 6352	m: +61 417 074 751	<a href="mailto:francis.de.rosa@glencore.com">francis.de.rosa@glencore.com</a>

[www.glencore.com](http://www.glencore.com)

**Glencore LEI:** 2138002658CPO9NBH955

### Notes for Editors

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 around 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 sectors. We also provide financing, logistics and other services to producers and consumers of commodities. Glencore's companies employ around 146,000 people, including contractors.

Glencore is proud to be a member of the Voluntary Principles on Security and Human Rights and the International Council on Mining and Metals. We are an active participant in the Extractive Industries Transparency Initiative.

### About Glencore's coal business in Australia

Glencore is one of Australia's largest coal producers with 13 mining complexes – including 17 operational mines – across New South Wales and Queensland.

We employ over 7,600 Australians and in 2017 managed the production of more than 87 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.

For more information, please visit [www.glencore.com.au](http://www.glencore.com.au)

# GLENCORE

---



[www.facebook.com/Glencore](http://www.facebook.com/Glencore)



[www.flickr.com/photos/glencore](http://www.flickr.com/photos/glencore)



[www.instagram.com/glencoreplc](http://www.instagram.com/glencoreplc)



[www.linkedin.com/company/8518](http://www.linkedin.com/company/8518)



[www.slideshare.net/glencore](http://www.slideshare.net/glencore)



[www.twitter.com/glencore](http://www.twitter.com/glencore)



[www.youtube.com/glencorevideos](http://www.youtube.com/glencorevideos)

### ***Disclaimer***

*The companies in which Glencore plc directly and indirectly has an interest are separate and distinct legal entities. In this document, "Glencore", "Glencore group" and "Group" are used for convenience only where references are made to Glencore plc and its subsidiaries in general. These collective expressions are used for ease of reference only and do not imply any other relationship between the companies. Likewise, the words "we", "us" and "our" are also used to refer collectively to members of the Group or to those who work for them. These expressions are also used where no useful purpose is served by identifying the particular company or companies.*