
Huaneng eyes majority stake in PT Berau Coal

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CCTV.com reported that China's largest publicly traded power company has submitted a bid for controlling stake in Indonesia's fifth largest coal miner. This will be Huaneng's first overseas coal mine acquisition deal with a controlling stake if it wins.

Huaneng Power International has submitted a bid for a 51% stake in PT Berau Coal. The deal is worth USD 1 billion. If it wins, Huaneng will use the coal to supply 15 power plants in China's southeast coal regions.

By the end of 2008, the Indonesian firm had coal reserves of 300 million tonnes. It produced 13.2 million tonnes of high quality coal last year.

Mr Xie Juchen Branch Chairman of China Electricity Council said "The bidding suits the country's policies in this sector. It also suits the growth of Chinese power producers. Huaneng is going to be the first Chinese power company going overseas, and this is a very good example for other firms."

Imported thermal coal is cheaper these days. The price averages between USD 65 to USD 70 per tonne which is attractive to China's coal-fired power plants. During the first half this year, China imported 40 million tonnes of coal, nearly double the amount in the same period last year.

PT Berau Coal also has a Dutch shareholder and a Japanese shareholder. Another 4 international coal enterprises have also submitted bids.

(Source: CCTV.com)

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