PT Bumi opens to strategic partnership with Herald Resources

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Bloomberg reported that PT Bumi Resources open to a strategic partnership in its Australian unit Herald Resources Limited.

Mr Dileep Srivastava head of Bumi's investor relations said that Herald is entertaining offers from potential investors keen on a stake in the Perth-based company. Calipso Investment Private Limited, wholly owned by Bumi, holds an 84.2% stake in Sydney listed Herald.

Bumi is seeking partners to develop Herald's zinc and lead mine in Indonesia after acquiring the company for AUD 563 million last year. An investor in Herald may also help ease pressure on Bumi's cash flow as the Indonesian company expands its coal business.

Mr Srivastava said that Herald's management is considering offers to take up equity in the company or its debt.

He said that the Indonesian company has also expressed its interest in the Haju coking-coal mine run by BHP Billiton Limited. The company is awaiting the outcome of BHP's deliberations.

BHP said recently that it scrapped plans to develop the coking-coal mine on the Indonesian part of Borneo Island as the project doesn't fit its long term strategy.

(Sourced from Bloomberg)

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