
BHPB sells Yabulu Nickel Refinery to Professor Palmer firms

Saturday, 04 Jul, 2009

BHP Billiton announced that it has signed an agreement to sell the Yabulu nickel refinery to companies wholly owned by Professor Clive Palmer.

It is expected that the sale will be finalized by July 31st 2009.

The terms of the sale are confidential, however both BHP Billiton and Professor Palmer have sought to provide that, at sale completion, working capital and access to funds are sufficient to enable the business to commence as a going concern under Professor Palmer's ownership.

Mr Jimmy Wilson BHP Billiton Stainless Steel Materials President said the result is an outstanding outcome for all parties and reflected a deep commitment of both Professor Palmer and the Queensland Government to the continued operation of the refinery.

He said that "We are pleased that BHP Billiton and Professor Palmer have reached this agreement, which provides greater certainty to the workforce and the surrounding community. Professor Palmer is deeply committed to the continued operation of Yabulu and we wish him and all those working at Yabulu every success for the future. "

He added that "Communications with our workforce, suppliers, customers and the community will begin immediately and will continue over the coming weeks to facilitate a smooth transition to the new owner."

Mr Wilson acknowledged the support for the transaction provided by the Queensland Government by saying that "The Premier of Queensland played a pivotal role in ensuring the change in ownership was feasible for both parties to this transaction, in affirming that the continued operation of the refinery was important to Queensland and that there would be no change in licensing or other arrangements from that currently prevailing."

BHP Billiton will write-down the carrying value of Yabulu by an estimated USD 500 million and a further estimated USD 175 million of unrecoverable tax benefits. These write downs will be reported as exceptional items in the results of the Group for the year ended 30 June 2009.

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