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## **BHPB announces offer for United Minerals Corporation**

*Friday, 16 Oct, 2009*

BHP Billiton announced that it has entered into an agreement under which BHP Billiton, through its wholly owned subsidiary BHP Billiton Minerals Pty Ltd, will offer to acquire all outstanding shares in United Minerals Corporation NL for a cash consideration of AUD 1.30 per share by way of scheme of arrangement between UMC and its shareholders.

In the absence of a competing proposal, the AUD 1.30 offer is final and will not be increased.

UMC's principal asset is the Railway iron ore deposit located directly adjacent to Mining Area C in Western Australia, owned by the Goldsworthy Joint Venture (BHP Billiton 85 percent).

The AUD 1.30 offer to be made to UMC shareholders represents:

1. A premium of 43% over the pre-announcement UMC share price of AUD 0.91 on 6 October 2009; and
2. A premium of 29% over the volume weighted average price of UMC shares since the announcement on 8 September 2009 of the arrangement with China Railway Materials Commercial Corp. Group involving a conditional placement and an iron ore offtake agreement.

The transaction is to be voted on by UMC shareholders. The UMC Board intends to unanimously recommend the offer, in the absence of a superior proposal and subject to the independent expert forming the view that the scheme is in the best interests of UMC shareholders.

BHP Billiton and UMC have also agreed to certain exclusivity and other provisions, including reciprocal break fees payable if the scheme does not proceed due to specified circumstances.

Mr Ian Ashby iron ore president of BHP Billiton said that the acquisition is a natural fit within the company's Western Australia Iron Ore operations. He said "BHP Billiton is the logical owner and developer of the Railway Deposit given the proximity to BHP Billiton's iron ore deposits, and established mine and rail infrastructure. This acquisition is consistent with our plan of capturing growth options to deliver long term shareholder value. We are pleased that we have been able to reach an agreement with the board of UMC to present what we believe to be a compelling cash offer to UMC shareholders."

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