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## **Kazakhmys borrow USD 2 billion from China Development Bank**

*Monday, 19 Oct, 2009*

Kazakhmys announced that major funding plans including borrowing USD 2 billion in loans which it hopes will help get some major unfunded copper projects off the ground.

The London listed group has also agreed to sell a 25% stake in its Ekibastuz power plant to the country's state welfare and sovereign wealth fund Samruk Kazyna for USD 339 million in cash.

According to a statement released to the Stock Exchange, Samruk Kazyna and the China Development Bank are the likely loan providers, although it is understood that news of the deal leaked early and that negotiations are still taking place with other options in place.

Unlike its Kazakh rival Eurasian Natural Resources Corporation which 2008 launched an abortive takeover of Kazakhmys, the company does not have big cash reserves and a number of analysts have questioned the growth strategy.

According to a spokesman for the group, the USD 2 billion loan will help in getting 2 of the group's major projects off the ground. He said that "The funding will help us develop our Boschekul and Aktogay sites, where a lot of work has already been done and which we project may potentially add 50% to our production levels.'

The Boschekul mine in north eastern Kazakhstan is the more developed of the 2 projects and is located close to the Ekibastuz power plant. The group said that it could sell off more of the Ekibastuz plant. It needs 25% of the plant's output for its operations and is understood to be willing to listen to offers.

(Sourced from Independent)

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