
Russian OPK and Mitsui in talks on coal deposit sale

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Reuters reported that Russian business magnate Mr Sergei Pugachev will discuss the sale of a stake in a large Siberian coal deposit to Japan's Mitsui & Co next week.

United Industrial Corporation a conglomerate controlled by Mr Pugachev is seeking cash to support its banking subsidiary International Industrial Bank which defaulted on its Eurobond this month.

OPK said it wants to sell up to 75% in its coal mining subsidiary YPK which holds an exploration license to the Yelegestskoye deposit with estimated reserves of 1 billion tonnes of high quality coking coal. It said it values its coal mining subsidiary at USD 5 billion and plans to retain no less than 25% in YPK.

OPK said it is also in talks with China Shenhua Energy Co over a YPK stake sale.

A source in OPK told Reuters the company plans to use the cash to make payments on the EUR 200 million Eurobond and redeem RUB 32 billion of uncollateralized loans owed to the central bank.

(Sourced from Reuters)

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