

Chinese resources giant targets mining interests

Regional mines, exploration sites could change hands by years end

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A COAL mining company which operates two mines in our region and owns two exploration sites may be in the hands of a Chinese resources giant before the end of the year.

The Brisbane-based Felix Resources, which will be taken over by Yanzhou Coal Mining Company, owns the "Harrybrandt" exploration

site near Nebo, planned to eventually become an open-cut mining site.

The company also owns the open-cut mine, Minerva, south of Emerald, alongside a massive 27,000-hectare coal exploration site that is poised to become an underground project, and the open-cut Yarrabee project, north-west of Blackwater.

Earlier this month, Yanzhou made an "all-cash offer" to buy the company outright, which is believed to

be the first takeover of its kind in Queensland, for an estimated cost of \$3.5b.

In an announcement to the Australian Stock Exchange (ASX), Felix Resources said the Chinese giant would develop Felix's exploration program and keep job numbers intact.

Felix chairman Travers Duncan said in a statement that Yanzhou was well positioned to continue Felix's development and com-

mitted to maintaining and possibly expanding its workforce.

"Felix will continue to be headquartered in Australia and will continue to generate substantial economic benefits for the economy."

Queensland Resources Council chief executive Michael Roche said it was "possibly the first total buy-out by Chinese interests".

Mr Roche added, however,

that it was certainly not the first investment the country had made in our industry.

"China has a very large demand for reliable supply of coking (metal-making) and thermal (power generating) coal.

"They will continue to show interest in existing projects and significant involvement in getting new projects off the ground."

Minister for Mines and Energy Stephen Robertson

welcomed the move, saying "an important part of resisting the global economic downturn is to embrace the international marketplace".

The takeover must now be approved by the Federal Government which will be advised by the Foreign Investment Review Board.

If all goes well, the takeover will be completed and in effect by mid-December, following approval from a shareholders meeting.