

## APPENDIX 4

### Major Chinese government-related investments in Australia<sup>1</sup>

#### *May 2009*

China Nonferrous Metal Mining Group: agreed to take a majority stake in Australian rare earths miner, Lynas Corp Ltd, for A\$252 million (US\$185.7 million). CNMC will buy 700 million new Lynas shares at 36 Australian cents each to gain a 51.7 per cent stake.

#### *February 2009*

Hunan Valin Iron and Steel Group: will pay A\$1.2 billion for a 16.5 per cent stake in Fortescue Metals Group, Australia's third-largest iron ore miner.

MinMetals: has offered \$US1.206 billion to buy the majority of OZ Minerals' operations including Sepon, Avebury, Rosebury, Golden Grove, Century and Dugald River.

#### *December 2008*

Centrex: Wuhan Iron and Steel would invest A\$180 million for 50 per cent share in five of its iron ore tenements on the Eyre Peninsula. WISCO will also take a 15 per cent stake in the company for A\$9.7 million. It is Centrex's second major Chinese partner – the company is 10.1 per cent owned by Chinese state-owned steel maker, Baotou Iron & Steel Group.

#### *October 2008*

Shenhua Energy Co: paid for a licence to explore coal deposits at the Watermark allotment, Liverpool Plains, NSW (initial licence fee A\$300m, initial investment, A\$175m).

#### *September 2008*

Xinwen Mining: agreed to pay A\$1.5 billion for Linc Energy's Bowen Basin coal tenements in Queensland

#### *August 2008*

Jilin Tonghua Iron & Steel: bought 10 per cent of IMX Resources which is attempting to develop the Cairn Hill copper-gold project near Cooper Pedy in South Australia, along with other Australian and African projects.

#### *May 2008*

China West Mining: bought 10 per cent (~ 15 million shares) in FerrAus, an iron ore exploration company in the Eastern Pilbara

#### *March 2008*

China Petrochemical Corporation: China's biggest energy distributor bought 60 per cent and control of the Puffin oil field in the Timor Sea from AED Oil for \$600 million.

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<sup>1</sup> Material from Professors Drysdale and Findlay's updated submission, p. 13. They note that this data was amended from Stephen Mayne's Mayne Report, Chinese investments in Australian resources, May 9, 2009; Track list of Chinese Government investments in Australian resource projects, available from <http://www.maynereport.com/articles/2008/05/19-2213-8127.html>. Mayne also provides a list of foreign owned resource projects at <http://www.maynereport.com/articles/2007/07/17-2040-8377.html>. Note: The firms listed here may be listed both in China and abroad and are not necessarily dominantly government-owned.

Jinchuan Group Ltd: has secured government approval for its 11 per cent stake in Australian nickel producer Fox Resources Ltd, Fox says. By agreeing to buy 18.8 million shares at a premium issue price of A\$0.95, Jinchuan becomes Fox's largest shareholder.

#### ***February 2008***

Chinalco : acquired 9 per cent of Rio Tinto shares in London on February 3, 2008 worth \$15.5 billion, announced it would seek the Treasurer's approval and the agreement of Rio Tinto shareholders for another \$US19.5 billion investment into the company.

China Metallurgical Group: has committed to pay A\$400 million for the Cape Lambert Iron ore project in WA.

Shougang Corp: spent \$400 million buying 20 per cent of WA iron ore company Mt Gibson Iron in early 2008.

Sinosteel: spent A\$100 million for Midwest Corp in early 2008 and completed a A\$1.37 billion agreed takeover at \$6.37-a-share in 2008.

#### ***January 2008***

Consortium: five Chinese companies were given FIRB approval in January 2008 to fund A\$3 billion Oakajee port and rail project in WA.

#### ***December 2007***

Jiangsu Shagang: Maanshan Iron & Steel: Tangshan Iron & Steel: Wuhan Iron & Steel: have a total stake of 15 per cent in BHP's Wheelarra iron ore mine near Newman in the Pilbara which produces 12 million tonne per annum.

#### ***September 2007***

Anshan Iron & Steel: paid A\$39 million in September 2007 for 13 per cent of iron ore miner Gindalbie and signed A\$1.8 billion joint venture deal.

Baotou Iron & Steel: agreed to invest up to A\$40 million for 10 per cent equity stake in Centrec Metals and 50 per cent of its prospective Bungalow iron ore project in South Australia.

Chalco: in September 2007 Queensland government awards rights to develop A\$3 billion bauxite project near Aurukun.

#### ***July 2007***

CITIC: spent \$113m lifting stake in Macarthur Coal stake from 11.6 to 19.9 per cent.

#### ***March 2007***

Shougang Corp: steel group spent A\$56 million in March 2007 buying 13 per cent of iron ore developer Australian Resources and agreed to fund \$US2.1 billion development of the Balmoral South project and associated port project in WA.

#### ***September 2006/April 2008***

Shanghai Baosteel Group: owns 46 per cent of the Rio Tinto-operated Eastern Range iron ore mine in Pilbara which produces 6.5 million tonnes a year worth more than A\$500 million a year. The Chinese investment is now worth more than \$1 billion.

#### ***June 2006***

CNOOC: holds a 25 per cent share in China LNG, a new joint venture within the existing US\$19 billion North West Shelf structure that diluted the other six joint venture parties down to 12.5 per cent each.

***Earlier projects***

China Iron & Steel: The Rio Tinto-operated Channar iron-ore mine in the Pilbara has a capacity of 10mtpa and is 40 per cent owned by China Iron and Steel (1987)

CITIC: paid more than A\$400 for a 22.5 per cent stake in the Portland Aluminium Smelter (1998).

