



Exchange release

2 April 2024

BHP completes the divestment of Daunia and Blackwater

BHP and Mitsubishi Development Pty Ltd (**MDP**) have completed the divestment of the Blackwater and Daunia mines to Whitehaven Coal.

Daunia and Blackwater were part of the BHP Mitsubishi Alliance (**BMA**) metallurgical coal joint venture in Queensland. Each of BHP and MDP hold a 50% interest in BMA.

Whitehaven Coal has paid BMA US\$2.0 billion cash consideration on completion plus a preliminary completion adjustment of US\$44.1 million for working capital and other agreed adjustments (100% interest basis). Whitehaven Coal paid a US\$100 million deposit on signing of the Asset Sale Agreement on 18 October 2023.

US\$1.1 billion cash remains payable by Whitehaven Coal to BMA over 3 years after completion and a potential additional amount of up to US\$900 million in a price-linked earnout may also be payable by Whitehaven Coal to BMA over 3 years (100% interest basis). The price-linked earnout is subject to a cap of US\$350 million each year and depends on average realised pricing exceeding agreed thresholds for each of the 3 years following completion on 2 April 2024¹.

The total cash consideration for the transaction will be up to US\$4.1 billion plus the final completion adjustment amount.

¹ Contingent payments based on 35% revenue share to BMA, subject to average realised prices achieved by the Assets exceeding thresholds of US\$159/tonne in the 12 month period 12 months post completion, US\$134/tonne in the 12 month period 24 months post-completion and US\$134/tonne in the 12 month period 36 months post completion.

Authorised for release by Stefanie Wilkinson, Group Company Secretary.



Contacts

Media

media.relations@bhp.com

Australia and Asia

Gabrielle Notley
+61 411 071 715

Europe, Middle East and Africa

Neil Burrows
+44 7786 661 683

Americas

Megan Hjulfors
+1 (403) 605-2314
Renata Fernandaz
+56 9 8229 5357

Investor Relations

investor.relations@bhp.com

Australia and Asia

John-Paul Santamaria
+61 499 006 018

Europe, Middle East and Africa

James Bell
+44 7961 636 432

Americas

Monica Nettleton
+1 (416) 518-6293

BHP Group Limited

ABN 49 004 028 077
LEI WZE1WSENV6JSZFK0JC28
Registered in Australia
Level 18, 171 Collins Street
Melbourne
Victoria 3000 Australia
Tel: +61 1300 55 4757 Fax: +61 3 9609 3015
BHP Group is headquartered in Australia

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