

JSW Steel in race to acquire 20 per cent in Australian coal mine for \$1 billion

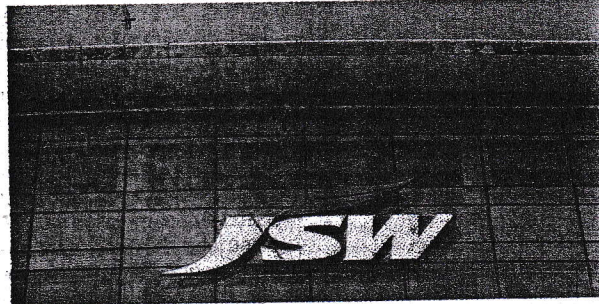
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JSW Steel will be competing with global giant Nippon Steel and other major bidders to acquire from Whitehaven Coal a 20 per cent stake in Australia's Blackwater coal mine.

Though companies are yet to decide on the final valuation, the deal is expected to be about \$1 billion, said a source close to the development.

Whitehaven had acquired two coal mines — Blackwater and Daunia — from BHP last October for a \$3.2 billion in cash. The overall deal value could surge in a few months post acquisition, if the deal for 20 per cent gets closed at \$1 billion, the source added.

This is the second attempt by JSW Steel to acquire a mining asset over-



EXPANDING SOURCING. JSW Steel has ties with coal suppliers in Australia, Canada, Mozambique and Indonesia, and is eyeing further expansions for raw material stability

seas after pulling out of race to pick a majority stake in the metallurgical coal business of Canada's Teck Resources. The stake was later picked up by Swiss mining and trading major Glencore Plc.

Coking coal is a key input for steelmaking and India's mills are completely dependent on imports from Australia, Russia and

Canada. Coking coal found in India is of inferior quality and remains largely unexplored.

A JSW spokesperson declined to comment on the Blackwater coal mine acquisition plan.

SECURING SUPPLIES

JSW Steel has developed relationships with specific suppliers in Australia,

Canada, Mozambique and Indonesia and is exploring other regions for coking coal supply to enhance its raw material security. It has also entered into yearly contracts with overseas suppliers to ensure consistent quality of various grades of raw material. In India, JSW Steel has been focussing on backward integration and operates 13 ironore mines, nine in Karnataka and four in Odisha.

With the target of increasing capacity to 50 million tonne per annum in the next 10 years from current 28 mtpa, JSW Steel is looking to secure supplies of metallurgical coal for its blast furnaces in India.

The Adani Group is already investing \$16.5 billion in Australia's Carmichael mine project. Import of coking coal from Australia stood at 13.21 billion tonnes in April-August 2023.