

## Hon Rob Lucas MLC Treasurer

Monday 15 April 2019

### Statement regarding Nyrstar ownership

One of the world's largest independent commodity trading companies, Trafigura Group Pte Ltd, has advised that it has entered into an agreement and has committed to interim funding arrangements of US\$250 million as part of a process to secure a restructuring deal with Nyrstar's financiers.

The agreements are an important step towards the successful completion of the restructuring, which would result in Trafigura becoming the majority owner of the operating business of Nyrstar, including Nyrstar Port Pirie.

The announcement by Trafigura follows a separate announcement by Nyrstar on the outcome of its capital structure review, where Nyrstar confirmed that the South Australian taxpayer guaranteed funding for Nyrstar Port Pirie was unaffected by the capital restructure.

Under the guaranteed funding arrangements, State consent to a change of control of Nyrstar is required.

Treasurer Rob Lucas said he had been formally briefed on the planned capital restructure by Trafigura's Chairman and Chief Executive Officer, Jeremy Weir, who re-affirmed the importance of Port Pirie's operations to his company's global operations.

"In my conversation with Mr Weir, I sought - and received - his commitment to ongoing constructive talks regarding the repayment of our taxpayer-guaranteed \$291.25 million loan for the Port Pirie smelter operations," said Mr Lucas.

"He recognised and re-affirmed the importance of Port Pirie to the company's global operations and understood the Government's clear objective to protect jobs at the smelter.

"Nyrstar and the State will continue to hold discussions in relation to the guaranteed funding arrangements, targeting a mutually-binding agreement as soon as possible. We remain hopeful of a successful resolution, not only for taxpayers, but for the people of Port Pirie, the smelter's employees and their families."

Headquartered in Geneva, Trafigura has \$US53.8 billion in total assets and has been Nyrstar's single largest shareholder, with 24.42% of the company's shares.

#### Background on Trafigura Group Pte Ltd:

Founded in 1993, Trafigura is one of the largest physical commodities trading houses in the world and co-investors in copper mining and smelting as well as oil refineries. It sources, stores, transports and delivers a range of raw materials (including oil and refined products and metals and minerals) to clients around the world.

Annual Group Revenue of \$US180.7 billion with total group assets worth \$US53.8 billion.



World's second largest metals and minerals trader (95.9 million metric tons in 2018).

Ranked in the top three oil traders globally (2.1bn oil and petroleum products, total barrels traded in 2018) rivalling Vitol and Glencore.

Co-ownership of copper mines in Spain, copper smelting facilities in China and oil refineries in India.

The Company has 4,300 employees who work in 66 offices in 38 countries around the world.