



MINING

BHP chief faces barrage of questions

Mathew Murphy

BHP BILLITON'S boss, Marius Kloppers, will face pressure from shareholders at tomorrow's annual meeting to outline whether he plans to embark on a multibillion-dollar share buyback or target potential acquisitions like Woodside Petroleum.

Mr Kloppers will address shareholders in Perth with questions still unanswered on whether BHP will give up on its \$US40 billion bid for Potash Corp, after the Canadian

government blocked the takeover on foreign interest grounds, or fight on and extend its offer, which expires on Thursday.

The Prime Minister, Julia Gillard, raised the issue at a private meeting with the Canadian Prime Minister, Stephen Harper, during last week's G20 summit in Seoul, an Australian government spokesman told Bloomberg on condition of anonymity,

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because the countries have a long history of investment.

Dimitri Soudas, the Canadian Prime Minister's director of communications, told Bloomberg the industry minister "has made the Canadian government's position clear," but said he was unaware whether Mr Harper and Ms Gillard had discussed Potash in Seoul.

The Australian Conservation Foundation is also expected to attack BHP over its \$20 billion expansion plans for Olympic Dam, which is the world's biggest uranium deposit, the fourth-biggest (remaining) copper ore body and the fifth-largest gold deposit.

The ACF nuclear-free campaigner David Noonan said the group would ask the BHP board if the new open-pit mine was only

considered economic because it was designed to leak up to 8 million litres of radioactive waste a day.

"This company plans to dump rather than to dispose of their radioactive wastes, and does not intend to rehabilitate the proposed open pit, intending instead to leave a toxic lake as a permanent scar on the landscape," he said.

A BHP spokeswoman said Olympic Dam was inspected and regulated by the Environment Protection Authority on a quarterly basis. The tailings were essentially crushed up granite and had been found in numerous reports not to have a harmful effect.

"The metals, including radioactive ones, are filtered in the two metres directly below the cells; the water table is 35 metres below the ground

surface," she said.

A supplementary environmental impact statement will be handed to the government by the end of the year, following more than 4000 submissions.

Analysts, meanwhile, are more interested in what the cashed-up miner plans to do after the apparent failure of the Potash transaction.

Few believe the Canadian government will overturn its decision within 30 days, but shareholders will have to wait until the board formally walks away from its bid for Potash before it is able to unveil any share buyback.

Some believe BHP will at least look to return the \$US4.2 billion that it still had left to spend from its \$US13 billion share buyback in 2007. That buyback was interrupted when BHP launched its scrip bid for Rio Tinto.



Olympic Dam ... a series of collecting pools at the mine. Photo: Bloomberg