
Coalview plans USD 150m in debt raises in 2014-15; will continue M&A, executive says

by **Matt Whittaker**

April 03, 2014

Coalview, a Coral Gables, Florida-based developer of fine-coal recovery plants, aims in two months to begin raising approximately USD 150m in debt, in stages, for three projects, said David Schwedel, its executive director.

The family office-backed company is turning to the bond market for project debt that will make up 70% to 80% of the USD 40m to USD 60m needed for investment in each project, Schwedel said.

Coal fines are particles of coal that are washed off and discarded during the process of coal being separated from other non-coal materials, after they are extracted from the ground. Coalview's plants will recover this coal.

Last year, the company completed a USD 42m financing underwritten by Oppenheimer to construct a 200-ton-per-hour fine-coal recovery plant at the Centralia Mine in Washington state. The operation is scheduled for completion in December.

Coalview plans to announce a second plant in the US within the next six weeks, Schwedel said. Coalview would then aim to put a book together and go to market with the financing around two weeks after that announcement, he said.

Coalview plans two other projects in Canada in 3Q14 and 4Q14 and will go to market for those financings in 1Q15, Schwedel said.

The financing-driven organic growth strategy combines with Coalview's plans to continue adding upstream coal fines processing technology through acquisitions and joint ventures, Schwedel said.

Last week, Coalview announced the acquisition of the assets of Orlando, Florida-based **KeLa Energy** for an undisclosed amount. The transaction provides Coalview with technology that transforms coal fines into transportable briquettes and reduces toxic emissions. Coalview did not use an investment banker for the deal, Schwedel said. It had been talking with KeLa for about three years, he said.

In 2011, the year he formed Coalview, Schwedel made an acquisition of the coal technology assets of Beard Technologies from the **Beard Company** for an undisclosed amount.

Coalview is in discussions now on a joint venture with an energy company that has technology Coalview is interested in, Schwedel said. The company is aiming for a 50/50 structured partnership where Coalview will be the commercialization partner for the technology and the other company will be the intellectual property partner, he said.

In terms of what Coalview is looking to spend on acquisitions, Schwedel said the company looks at acquisitions from the perspective of including how much the company will have to invest to further develop the technologies it buys. That can be in the USD 5m to USD 40m range, depending on the technologies, he said.

The Corallum family office in Florida, which was founded by Schwedel and is backed by institutional investors and other family offices, provides the capital for Coalview's acquisitions.

The related Corallum Energy Group makes investments in the oil industry, and within 90 days Coalview and this group will be merged into a coal and oil technology holding company, Schwedel said. That entity will be run as a private master limited partnership (MLP), he said.

In addition to Oppenheimer, the Corallum family office has worked with investment bankers at Cassel Salpeter, Deutsche Bank, JP Morgan and Raymond James. It has used Greenberg Traurig, Holland & Knight and White & Case for legal advice and Kaufmann Rossin for audit, tax and accounting services.