

# CGT View - Corporate Action Detail

BHP Group and Woodside Merger

## Ex Date

01-Jun-2022

## Code

BHP

## Notes

On 1<sup>st</sup> June 2022 BHP Group BHP completed the merger of BHP oil and gas portfolio with Woodside Energy Group Limited WDS (previously Woodside Petroleum Limited). Under the merger BHP received 914,768,948 WDS shares. Eligible BHP shareholders received 1 WDS shares for every 5.5340 BHP shares they hold on the close of business of 26<sup>th</sup> May 2022 (Record Date) with fractional entitlements rounded down in the form of in specie dividend (Special Dividend). The Special dividend was paid on 1<sup>st</sup> June 2022 and was fully franked.

The closing price of WDS on ASX on 31<sup>st</sup> May 2022 was A\$29.76. The implied value of special dividend for BHP shareholders is approx. \$5.38 ( $29.76/5.5340 = 5.37766$ ) with attaching franking credits of approx. \$2.30 ( $5.37766/.7*.3 = 2.30471$ )

Ineligible BHP overseas shareholders had their entitlements transferred to a sale agent to be sold in a sale facility. Eligible small BHP shareholders holding 1,000 ordinary BHP shares or less may also elect to have the WDS shares sold by the sale agent under sale facility.



The taxation section of the Merger Explanatory Memorandum outlined impact of the demerger for BHP shareholders. Based on that :

1. Demerger Tax Relief was not available.
2. The Special Dividend along with attached franking credits to be included in the assessable income of FY 2022.
3. WDS shares are acquired on 1<sup>st</sup> June 2022 and cost base is equal to 29.76
4. On basis demerger tax relief not available BHP cost base is not affected.

BHP has applied for a class ruling confirming certain income tax implications of the implementation of the Merger.

## ATO Rulings

### Source Documents

 Announcement\_MergerComplete - 01-Jun-2022;  Explanatory Memorandum - 08-Apr-2022

### What to do in STM

The merger is fully automated.

Due to fractional entitlements, the special in-specie BHP dividend on per unit basis varies for every holding.

In STM, , we are generating the dividend on code BHPX with per unit amount of 29.76. In this way, the total dividend amount, Franking amount, and imputation credits should match the statement.

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