

Wednesday 28 December 2011

## GOVERNMENT CONFIRMS STATE DEVELOPMENT AGREEMENT WITH OPR

Oakajee Port and Rail (OPR) will continue to be central to the development of mid-west port and rail infrastructure, with the State Government today confirming its support for the existing State Development Agreement (SDA) beyond 2011.

The SDA is the key agreement between the State and OPR, for the design, construction, commissioning and financing of a deepwater port at Oakajee and railway infrastructure to mid-west iron ore mines.

Amendments to the SDA include removal of a Sunset Date for the execution of Implementation Agreements. The State will also have the ability to consider negotiating with another proponent.

OPR Chief Executive John Langoulant AO welcomed the continuation of the SDA and expected the recently proposed restructure of OPR's ownership to deliver greater project certainty.

He said the announcement of Mitsubishi Development's proposed acquisition of Murchison Metals Ltd's interest in OPR's assets was a particularly positive step.

"This project needs to be underpinned by suitably capitalised partners or investors and a long-term strategic view, aimed at maximising the opportunities for mid-west miners and the wider community," Mr Langoulant said.

"Project planning, engineering and regulatory approvals are well advanced."

He said OPR remained the most appropriate vehicle to deliver the project in a timely manner.

"We share the government's long-held vision of an integrated bulk iron ore supply chain, based on the principle of open access for multiple mines, underpinning creation a mid-west mineral province," Mr Langoulant said.

"OPR has developed a comprehensive and detailed technical solution – in accordance with government scoping requirements - for a high-capacity, sustainable integrated iron ore supply chain.

"The design and cost estimate have been subject to extensive independent peer review, including value engineering assessments."

The State and OPR will continue to work toward finalising Implementation Agreements, the port services agreement, port lease, third party access regime and rail lease, and other relevant documents.

## Oakajee Port and Rail – Key achievements

March 2009	State Development Agreement signed with the State Government
March 2010	Draft Feasibility Study delivered to the State – initial port capacity increased to 45mwtpa
August 2010	Memorandum of Understanding signed with foundation customers
December 2010	Engineering completed, sufficient to support the capital cost estimate
June 2011	Feasibility Update submitted to Joint Venture Participants, confirming technical viability
July/August 2011	Commonwealth environmental approvals secured. Conditional State approvals recommended by the Environmental Protection Authority, now awaiting Ministerial approval
October 2011	OPR/AECOM wins WA Engineering Excellence Award for Integrated Iron Ore Supply Chain Modelling  WA Government approves Oakajee Rail Corridor Nomination Report
December 2011	SDA affirmed by the State and Joint Venture Participants

## Other achievements

- Extensive technical investigations – 573,000 man hours expended; 200 FTE at peak; 3,385 drawings produced; 612 progress reports and 79 technical reports
- Heritage Protocols and Native Title negotiation framework agreements established with Aboriginal groups
- Land access agreements reached with more than 60 landowners and pastoral leaseholders to enable feasibility works to be conducted
- Negotiated a management framework with the State and Federal Government, based on the principle of mutual coexistence between mining and the Murchison Radio-astronomy Observatory (MRO) and the Square Kilometre Array (SKA) project

**ENDS**

Robert Newton  
Public Relations Manager  
t +61 8 9486 0777 m +61 (0)488 717 005  
e rnewton@opandr.com