



OPR Targets Achieved, Momentum Builds

Oakajee Port and Rail's Acting Chief Executive, Alwyn Vorster explained the positive project progress during the recent Murchison Metals AGM on 18 November 2009.

"With iron ore demand strong, and promising announcements from mid-west miners, OPR remains on track to begin ore shipments from the new Oakajee Port in late 2013, early 2014," said Mr Vorster.

During his address, Mr Vorster highlighted the compelling business case for the project.

The Business Case

The Oakajee port and rail project will underpin the development of a new resource region for Western Australia.

Long term demand for iron ore remains strong.

The project will allow the expansion of the mid-west mining industry by reducing the delivered cost to market of iron ore, through an efficient deepwater port and integrated rail-system.

The port at Oakajee will accommodate Cape Class vessels: ships too large for the Geraldton Port. A Cape Class vessel can carry around three times more ore than the ships using Geraldton, providing major cost efficiencies.

The project will provide the infrastructure required for the iron ore industry, which in turn will create jobs and boost the economy.

Targets Achieved

Rail bridge design, hydrology investigations, environment surveys and customer tonnage discussions have all advanced in October and November.

The integrated infrastructure project will create efficiencies through a rail network and deepwater port which will lower delivered cost to market for mid-west ore.

OPR has achieved all its target development milestones for 2009, on the path to final go-ahead. Targets achieved include:

- Signed confidentiality agreements with key mine customers to form a basis for negotiations.
- Signed agreements with landholders in the rail feasibility corridor to access land for study purposes.
- Contract awarded for the design of rail bridges.
- Completion of drilling investigations over the port dredge area.
- Completion of basis of design document.
- Assessment levels for both the terrestrial port and the rail parts of the project determined by EPA as Public Environmental Review (4 week public review period).
- Environment and Aboriginal heritage surveys underway in the rail feasibility corridor and port site.
- Completion of a review of the cyclonic and non-cyclonic wave conditions on the marine structures at Oakajee.
- Commencement of detailed modelling and analysis of Long Wave Period impacts at Oakajee.
- Train performance simulation and system modelling on the impact of various ruling grades, running times and number of cars.

The project is tracking toward financial close and project go-ahead – a decision is due by early 2011.



OPR's Acting Chief Executive Alwyn Vorster at Murchison Metals AGM advised Shareholders that "OPR has achieved all its targets for 2009 and is on track to deliver this exciting project".

The Oakajee port and rail project will create a deepwater port, 25 kilometres north of Geraldton, linked to regional mines by approximately 570 kilometres of rail. The rail infrastructure includes spur lines to Jack Hills and the Weld Range, and a short spur to allow a connection to the southern mines.

Key next steps in project development

2009	<ul style="list-style-type: none">• Finalisation of rail corridor• PER preparations• Engineering costing finalised
2010	<ul style="list-style-type: none">• Completion of feasibility studies• Tenders and long-lead item procurement process• Secure customer supply chain contracts
1H 2011	<ul style="list-style-type: none">• Financial close• Construction commences
Late 2013 Early 2014	<ul style="list-style-type: none">• Rail and Port commissioning• First ore on ship



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