



Supply Chain Integration at OPR

The need to integrate mine requirements with infrastructure is a priority at Oakajee Port and Rail (OPR) as the project continues on the path to go-ahead.



OPR's Chief Development Officer, Alwyn Vorster

OPR's Chief Development Officer, Alwyn Vorster, says the business models of the infrastructure provider and the mines must be aligned to build a successful iron ore region in Western Australia's mid-west.

"This project will only satisfy the bankers and investors and proceed, if we align the commercial interests of the mines with that of the infrastructure service provider. To be bankable, OPR needs some certainty from the region's miners about tonnage requirements and start dates."

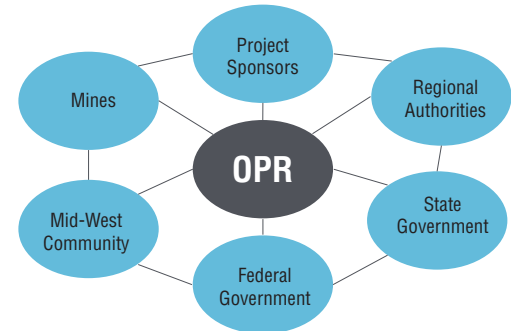
Mr Vorster says OPR is pursuing formal agreement with mine customers for access to the development's port and railway. It is hoped agreements will be finalised by September 2010.

OPR's objective is to design, build and manage infrastructure and supply chain services that facilitate the economic development of multiple mines in the mid-west of WA.

OPR is negotiating with the miners to develop formal supply chain agreements and requires mines to commit to using the rail and port services, so the infrastructure development can proceed with certainty.

During its feasibility studies OPR has identified 14 mine projects as potential users of its infrastructure, with four mines likely to be foundation customers.

Oakajee port and rail project has multiple stakeholders and interest groups



OPR's task is to align and integrate the expectations of multiple stakeholders and interest groups.

Unlike the Pilbara model, in which iron ore companies develop and own the transport infrastructure, the Oakajee port and railway will cater to multiple users. OPR's challenge is to be the first infrastructure provider to develop an efficient, multi-user, high volume, open access supply chain for iron ore.

The success of the supply chain requires an integrated planning approach across port and rail, with all elements aligned. OPR will be the manager of a single, coordinated bulk commodity mine to ship system.

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.



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OAKAJEE PORT & RAIL PROJECT

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About the Oakajee Infrastructure Project

Oakajee Port and Rail is the developer of the Oakajee deepwater port and rail infrastructure project.

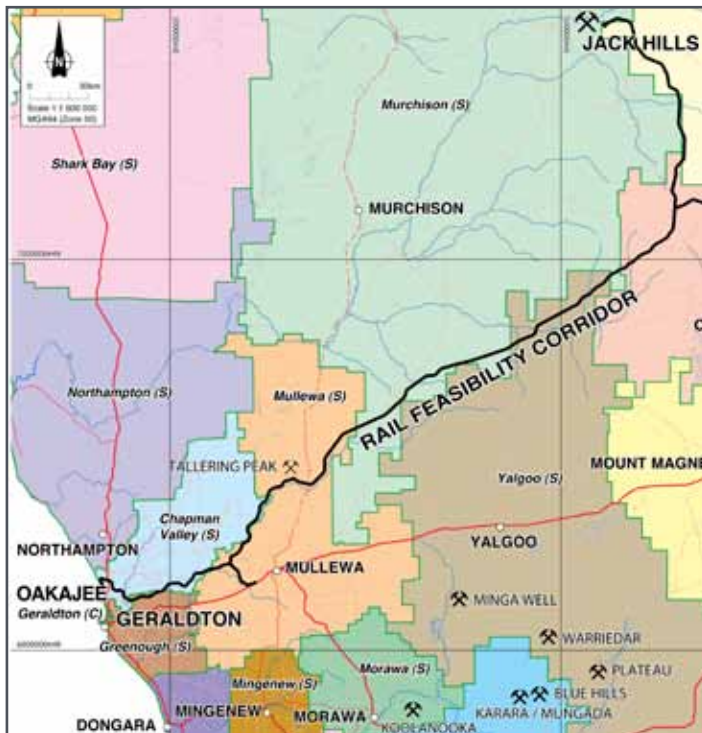
The Oakajee project will deliver an integrated open access, bulk commodity supply chain to transport iron ore from Western Australia's mid-west to customers in the Asia Pacific region.

The project will:

- Deliver iron ore from mines across the mid-west region to international markets via a modern rail system and new deepwater port at Oakajee;
- Underpin the broader development of the mid-west region; and
- Overcome constraints at Geraldton port on export capacity and ability to accommodate larger Cape Class vessels.

The Oakajee project represents a unique investment partnership between an independent infrastructure provider, the private sector, international partners and government.

Oakajee Port and Rail - Rail Feasibility Corridor



Map showing mid-west mining developments and Rail Feasibility Corridor

Shipping Gateway and Integrated Rail Network

- The project will deliver a deepwater port 25km north of Geraldton in Western Australia, linked to regional mines by approximately 570km of heavy haulage rail. It includes spur lines to Jack Hills and the Weld Range, and a short spur to allow a connection to the southern mines.
- The bulk commodity supply chain is based on contemporary principles of open access, coordination and integration to deliver maximum efficiency to miners.
- The port will have an initial, start-up capacity of approximately 35 million tonnes per annum (mtpa), with plans for expansion in stages.
- The State and Federal Governments have committed to providing \$678 million for the construction of the outer harbour common use port infrastructure.
- The open access rail network will be scalable to allow operations up to 80-100mtpa.
- The Oakajee infrastructure project will generate around 2000 jobs during construction and up to 400 jobs when operational.

State Development Agreement

OPR is progressing the port and rail project under a State Development Agreement (SDA) with the Government of Western Australia, signed on 20 March 2009.

OPR is currently undertaking a Bankable Feasibility Study (BFS), drawing together the work of the last three years and advancing a series of studies. The BFS is targeted for completion in March 2010.

Over the next 12 months, OPR will focus on finalising supply chain agreements with mines and the completion of feasibility studies. The project is tracking toward financial close and project go-ahead by early 2011. Commencement of commercial operations is expected in late 2013 - 2014.

Oakajee Port and Rail

Oakajee Port and Rail was established in September 2007 to pursue a joint venture between Murchison Metals Ltd and Mitsubishi Development Pty Ltd, each of which has a 50 per cent economic interest in OPR.