



Milestones Met at OPR

Feasibility Study Delivered To State

OPR submitted a draft Bankable Feasibility Study to the Western Australian Government at the end of March 2010.

The draft feasibility study demonstrates strong technical feasibility for the development of the Oakajee infrastructure and reflects detailed engineering studies and commercial analysis undertaken over the past three years.

Draft Implementation Agreements for the port and rail have also been delivered to the State. Both parties have substantially progressed the terms of these agreements.

OPR is continuing its work on the project, the major areas of activity including further engineering studies and progressing the approvals program, together with negotiation of supply chain agreements with potential foundation customers.

By clarifying the tonnage, timing and technical requirements of foundation customers, OPR will be in a better position to assess the commercial feasibility of the project targeted for completion toward the end of 2010.

This will pave the way for the execution of Implementation Agreements with the State Government and ultimately the commissioning of the new facilities in early 2014.

Increased Port Capacity For Foundation Customers

Oakajee Port and Rail has announced three potential foundation customers for contractual discussions relating to iron ore tonnage allocations at Western Australia's new port of Oakajee, scheduled for completion in early 2014.

Following strong interest from mid-west iron ore miners, OPR also plans to increase start-up capacity of the new deepwater port to 45 million tonnes per annum (mtpa).

"There is a real case to consider greater start-up capacity than we had originally anticipated," said OPR Chief Executive John Langoulant.

The decision to upgrade capacity by almost 30 per cent from the original 35mtpa was made following the receipt of iron ore tonnage nominations from regional miners, and selection of potential foundation customers:

- Sinosteel Midwest (Weld Range project)
- Karara Mining (Karara project)
- Crosslands Resources (Jack Hills project)

OPR is engaging with each of the miners with the aim of clarifying project timing, export volumes and financial capacity.

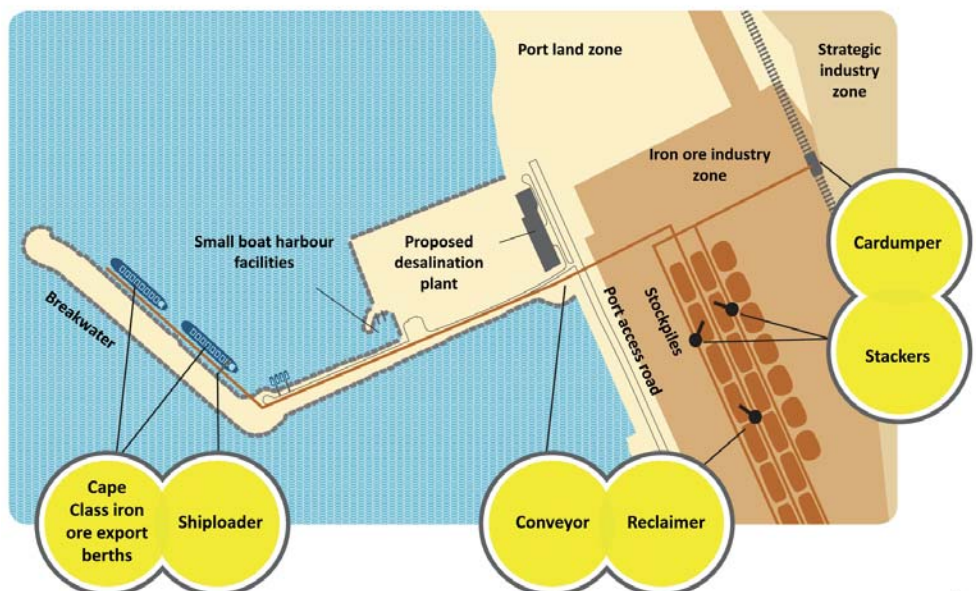
Subject to further due diligence studies, these potential customers could then receive an offer of initial capacity for the new Oakajee port and rail system.

In parallel with the customer negotiations, OPR will focus on the port configuration design, which will include two berths to accommodate the capacity upgrade.

"Progressing the more detailed capacity studies and finalising the project parameters is also dependent on the mines finalising the feasibility of their projects," said Mr Langoulant.

The Oakajee port and rail project will create a 45mtpa deepwater port, 25 kilometres north of Geraldton, linked to regional mines by approximately 570 kilometres of rail. The rail infrastructure includes spur lines to the Jack Hills and Weld Range projects, and a short spur to allow a connection to the southern mines.

Schematic diagram of proposed Oakajee port showing two berths.



(L to R) John Langoulant (OPR), Paul Kopejtko (Murchison), Premier Colin Barnett and Saburo Takeuchi (Mitsubishi) with the feasibility documents.



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