

OAKAJEE PORT & RAIL PROJECT

APRIL 2010 FACT SHEET 8



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 onto ships for delivery 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.

Shipping Gateway and Integrated Rail Network

- The project comprises 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 the Jack Hills and Weld Range projects 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 45 million tonnes per annum (mtpa), with plans for expansion in stages. The planned initial capacity was increased in early 2010 from 35mtpa following strong interest from miners.
- 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 approximately 300 jobs when operational, in addition to underpinning the growth of the iron ore industry and unlocking the value of the mid-west.

The Mid-West Region



Shipping gateway and integrated rail network.

Project Status

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

OPR completed a draft Bankable Feasibility Study (BFS) in March 2010, drawing together the work of the past three years and advancing a series of studies.

The draft BFS has demonstrated strong technical feasibility for the development of the project.

OPR has selected three potential foundation customers for contractual discussions. The selected potential foundation customers are Sinosteel Midwest (Weld Range project), Karara Mining (Karara project) and Crosslands Resources (Jack Hills project). Subject to further due diligence studies, these potential foundation customers could receive an offer of initial capacity for the new Oakajee port and rail system.

Current major areas of activity include further engineering studies, progressing the approvals program and negotiation of supply chain agreements with potential foundation customers.

The project is tracking toward financial close and project go-ahead in early 2011. Commencement of commercial operations is expected in early 2014.

About 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.



For more information contact **Kim Pervan**
Manager Community and Public Relations

Perth +61 8 9486 0777 **Geraldton** +61 8 9964 7698 or visit www.opandr.com

OPR is a 50/50 joint venture between Murchison Metals Ltd and Mitsubishi Development Pty Ltd. Oakajee Port & Rail Pty Ltd ABN 25 117 240 007

