

PROJECT UPDATE

MARCH 09 edition 1



Geotechnical Investigations Begin

Oakajee Port and Rail (OPR) is ready to deliver an integrated port and rail infrastructure business to transport iron ore from Western Australia's mid-west region to customers across the globe, maximising value to the community. Oakajee Port and Rail was established in September 2007 as a 50/50 joint venture between Murchison Metals Ltd and Mitsubishi Development Pty Ltd.

Oakajee Port

OPR is continuing preparations to construct a new deepwater port at Oakajee, 25km north of Geraldton.

The port will primarily be designed to ship bulk iron ore, sourced from mines in the mid-west region of Western Australia.

The development of the new port and associated rail infrastructure will deliver substantial benefits to Western Australia, in particular the mid-west region and local communities, through increased employment, economic stimulus and community development opportunities.

Port Development

As with the development of all major infrastructure projects, preparations to build Oakajee Port include geotechnical investigation.

This primarily involves drilling into the earth's surface to depths of up to 40m, in order to recover core samples of insitu material.

The samples are studied and subjected to different forms of testing, with the results fed into the project design process.

The Oakajee project development plans require geotechnical investigation work, both onshore and offshore, during March – May 2009.



OPR Engineering Manager - Port, Bill Carlton, will oversee the development and construction of the marine aspects of the Oakajee Port. Mr Carlton is a port engineering expert with 40 years' professional experience, including port development work for major energy and minerals projects in Western Australia, South East Asia, Africa and Saudi Arabia.

OPR has contracted JFA Consultants, a Western Australian company, to manage the drilling programs.

JFA is a specialist coastal, port and harbour engineering firm which manages projects throughout Australia and the South Pacific region.

Onshore Drilling

The port marine works will include the construction of a large rock-fill breakwater of approximately 1.9 km in length.

Locating a quarry from which the required quantities of suitable rock can be sourced is of paramount importance to the success of the Oakajee Port development project.

OPR has located a potential granulite rock source just 5km from the port site, within the port buffer zone and is undertaking a geotechnical investigation program to assess its suitability.

The first phase of drilling for the potential quarry site was completed in November 2008. A second phase commenced on the same site in late February 2009 and will continue through to April.

The drilling has been designed to confirm the existence of sufficient quantities of armour rock onsite, provide information about the rock quality and assist in the development of a quarry management plan.

The quarry will operate for at least three years, during which time three million cubic metres of rock is likely to be removed. Once the quarry is no longer needed, OPR will rehabilitate the area.



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Offshore Drilling

The Oakajee Port offshore geotechnical investigation commences in mid March 2009.

The program includes drilling up to 25 bore holes over the proposed dredge area, located 1 – 2km from shore.

Port dredging work is typically considered a commercially high-risk activity. Thus, the drilling commencing in March will provide important planning information, in particular the strength of the seabed materials, to assist in determining the optimum locations for dredging and wharf and dolphin mooring structures.

The drilling will be undertaken by Perth-based company J&S Drilling.

A drill rig will be mounted on top of a jack-up barge, named Sirius, which will be supplied by Boskalis.

Sirius is 33.7m long and 25.4m wide and will be visible from the Oakajee shore line.

While not considered sizeable for its type, it is recognised for the speed it can jack up – 6m per minute.

This enables it to jack up out of the waves quickly, providing better workability than most other jack-up platforms of similar size.

Support vessels that will be onsite throughout the drilling will be supplied from Geraldton.

Depending on sea conditions, the work is scheduled to be completed during May 2009.



Jack-up barge, Sirius

During that time, drilling manager JFA Consultants will provide the local Geraldton fishing community with daily updates, including the exact location of the drilling rig.

Heritage and Negotiation Protocols

Representatives of the Amangu, Naaguja and Mullewa Wadjari Native Title groups will be present during surface activities for the onshore drilling.

Monitors from each group were also present throughout last year's surface activities.

Last year the groups met with OPR to discuss and document Heritage Protocols appropriate for the area in and around the Oakajee Port project.

These discussions are continuing with each group.

OPR and each group will also meet this year to discuss Indigenous Development Agreements.

OPR has provided cross-culture sessions to all contractors and staff working within the Oakajee project area.



The coastline at Oakajee

