

MEDIA RELEASE

Friday, 20 March 2009

GIOA welcomes Oakajee port Development Agreement

The Geraldton Iron Ore Alliance (GIOA) has welcomed the signing of the Oakajee port project Development Agreement between the State Government and Oakajee Port and Rail (OPR).

GIOA Chief Executive Rob Jefferies said the agreement was a major step forward for development of the Oakajee port and rail system which would be critical for the emerging Mid West iron ore industry to reach its potential.

“The Alliance is delighted with the level of interest and drive from Premier Colin Barnett in progressing the Oakajee port and associated rail infrastructure,” Mr Jefferies said.

“We congratulate OPR in reaching this significant milestone.

“The GIOA recognises that further discussions between OPR, other commercial interests and the State Government are still required to ensure that financial and project approvals are facilitated in the most expedient manner.

“We also expect the signing of this agreement to pave the way for meaningful negotiations with all companies to promote the earliest possible development of the region’s iron ore projects, which will make a significant impact on increasing employment in the region.”

The GIOA will continue to play its part in promoting the realisation of this complex and region-shaping development.

“We recognise there is still a significant work to be undertaken to bring the project into fruition,” Mr Jefferies said.

“Government funding is an important component to the project as it has the potential to reduce overall costs of finance and sends a strong message of confidence in the region, not just for the benefits of Western Australia, but internationally, for our investors, partners and customers.

“Our members are committed to achieving a highly efficient multi-user port and rail system.

“This Development Agreement marks a critical step in achieving this important strategic infrastructure for our region.”

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About the Alliance:

The Geraldton Iron Ore Alliance (Alliance) has a membership of seven iron ore mining companies which are at various stages of exploration and development of mines in the Mid West. These companies are:

- Sinosteel Midwest Corporation Limited
- Crosslands Resources Ltd
- Gindalbie Metals Ltd
- Golden West Resources Limited
- Royal Resources Limited
- Asia Iron Holdings Limited
- Atlas Iron Limited

The member companies that make up the Alliance are committed to developing and operating in a sustainable manner in their endeavour to establish a world class iron ore industry in the Mid West/Murchison Region of Western Australia.

Further details of the companies and their projects is available on the Alliance's website at www.gioa.com.au.

An independent Study by Economic Consulting Services (2007) estimated potential benefits the Mid West iron ore industry will bring to the State include:

- 1,360 jobs a year during construction;
- 4,254 direct jobs a year (for at least 25 years);
- >12,000 direct and indirect jobs a year in WA;
- \$1.5 billion a year to Gross State Product and
- estimated \$7 billion in taxes and duties to the Federal Government
- estimated \$3.5 billion in royalties and other payments to the State Government