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### OPR wins Mid West infrastructure race

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#### **OAKAJEE Port and Rail, the infrastructure provider backed by iron ore aspirant Murchison Metals and Japan's Mitsubishi Corporation, has won the right to develop the \$A2 billion Oakajee Port Project in Western Australia's iron ore-rich Mid West region.**

The WA Government today selected Oakajee Port and Rail – the equal joint venture between Murchison and Mitsubishi - as the preferred developer of the deep-water port at Oakajee and new rail infrastructure, over China-backed Yilgarn Infrastructure, the infrastructure arm of rival iron ore play Midwest Corporation.

WA Premier Alan Carpenter said the Government endorsed the decision after Planning and Infrastructure Minister Alannah MacTiernan provided advice on recommendations from an evaluation panel supported by technical teams.

“Both proposals had merit, but technical assessment of the two proposals resulted in a very definitive recommendation in favour of Oakajee Port and Rail,” Carpenter said.

“Its proposal was judged to be more developed and robust than that of its competitor [Yilgarn Infrastructure], and to present the state with the best opportunity to develop a world-class port.”

Carpenter said the evaluation panel and supporting technical teams had examined in detail the commercial, legal, engineering, social and environmental aspects of the two proposals submitted.

Oakajee Port and Rail chief executive Christopher Eves said the group was pleased the evaluation process had identified the company's proposal as the most robust and financially sound in building the project.

“We believe our position as preferred proponent recognises our commitment to the region, the importance of an independent and open access infrastructure regime and capacity to deliver a quality service to all miners in the Mid West,” he said.

“The growth of the iron ore industry in the Mid West has been constrained for many years by the lack of a deepwater port.

“The new Oakajee Port project will commence with export capacity of around 35 million tonnes of iron ore per year, with further rapid expansion planned as various mining operations and other users come online.”

The Government will retain ownership of the port, which would be managed by the Geraldton Port Authority.

MacTiernan said Oakajee Port and Rail would develop common-use infrastructure such as the breakwater, channel and turning basins, which will be owned by the Geraldton Port Authority once completed.

“There will also be third-party access to private use infrastructure such as berths and loading equipment on fair and equitable terms, and on a commercial basis,” she said.

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Meantime, the Geraldton Iron Ore Alliance has welcomed the Government's Oakajee decision, but said timing of its development was critical.

"The development of key infrastructure in the Mid West, such as Oakajee Port, is critical to the development of the region," Independent chairman of the Geraldton Iron Ore Alliance Clive Brown said.

"However, the allocation of the right to negotiate a port development agreement with the Government is only the first step in a process that involves a lot of work and consultation that needs to be done before construction gets underway," he said.

"Timing is important. Delays in constructing the port could lead to delays in the development of some of the Alliance members' projects."

The Government will now start discussions with Oakajee Port and Rail to reach a mutually agreeable and binding legal commitment for the development of port facilities at Oakajee Port, and to finalise the route for the rail infrastructure.

Negotiations are anticipated to finish by year-end, with project feasibility scheduled for mid 2009. Once approvals are granted, construction can begin with first operations anticipated as early as 2012.

Today's decision comes after a 10-week evaluation process undertaken by the WA Government after Oakajee Port and Rail and Yilgarn Infrastructure submitted their proposals in May.

The Government's deadline for a decision was initially by the end of June, however this was extended to the end of July to give the evaluation team more time to analyse the information provided by the two tenderers.

Shares in Murchison Metals, which came out of a trading halt today following the announcement, were trading 21c higher at \$2.97 in afternoon trade.