

Aquila Says It's 'Interested' in Boosting Stake in Australian Ore Project

By Jason Scott - Jun 30, 2010

[Aquila Resources Ltd.](#), partner in the Australian Premium Iron joint venture with American Metals & Coal International Inc., is interested in increasing its stake in their A\$4.1 billion (\$3.4 billion) iron ore project.

“We have 50 percent of the project,” [Tony Poli](#), chief executive officer of the Perth-based company, said today in a phone interview. “Given the right opportunity, we’d be keen to increase our stake in the project.”

The venture’s West Pilbara project includes an iron ore mine, port and rail project in Western Australia’s mineral-rich Pilbara region. South Korea’s Posco, Asia’s third-biggest steelmaker, is sending representatives to look at the project next week, the Australian Financial Review reported today.

“Clearly if AMCI is taking Posco to site, that’s where they are focusing their efforts,” Poli said. UBS AG was hired by AMCI last year to sell part or all of its stake, he said.

[Aquila](#) fell 3.3 percent to A\$7.60 on the Australian stock exchange at 11:44 a.m. Sydney time, giving the company a market value of A\$2.46 billion. Baosteel Group Corp. owns a 15 percent stake in Aquila.

The West Pilbara project is expected to produce 25 million metric tons when fully operational, according to [Aquila’s website](#). The company expects government approvals by the end of next year and construction to start in 2012.

Aquila isn’t in talks to increase its stake, Poli said.