

## =DJ UPDATE: Western Australian Government Eyes New Iron Ore Port

(adds comment from Western Australian Premier) By Alex Wilson and Lyndal McFarland Of DOW JONES NEWSWIRES

MELBOURNE (Dow Jones)--The Western Australian state government said Thursday it expects a major new deepwater iron ore port to be in operation at Anketell in the resource rich Pilbara region by 2015, helping meet booming demand for the key steelmaking input.

Australian iron ore miners have been spending billions expanding existing ports in the region in an effort to meet growing demand driven by China's resurgent steel sector.

Western Australia Premier Colin Barnett said the Anketell precinct could ultimately include a port with more than 350 million metric tons in export capacity, and would be developed to accommodate multiple users and different mineral commodities.

"The strength of WA's iron ore exports and the growth plans of current users are testing the capacity of the existing Pilbara ports," Barnett said. "The Anketell port and industrial precinct will provide opportunities for new exports and processing of iron ore and other minerals."

Barnett said there were three potential foundation investors in the port development; Fortescue Metals Ltd. (FMG.AU), China Metallurgical Group Corporation and API Management, a joint venture between **Aquila Resources Ltd.** (AQA.AU) and private investor AMCI.

API would use the port to export material from its West Pilbara iron ore project with planned output of 30 million to 40 million metric tons a year, Fortescue from its 30 million-60 million ton Solomon project and China Metallurgical from its 15 million ton Cape Lambert magnetite project.

Fortescue and Aquila last June signed an agreement to explore the shared development of a new port at Anketell.

However, Barnett told reporters it isn't yet settled who would fund or build the port.

"It could be done with each company doing their own part or maybe coming together on the joint infrastructure or indeed they may come together with others and form a new organization - we are open to how that is done," he said.

The Chamber of Minerals and Energy of Western Australia welcomed the announcement of progress on the new port, which it said was required to meet growing demand for exports from the Pilbara region.

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