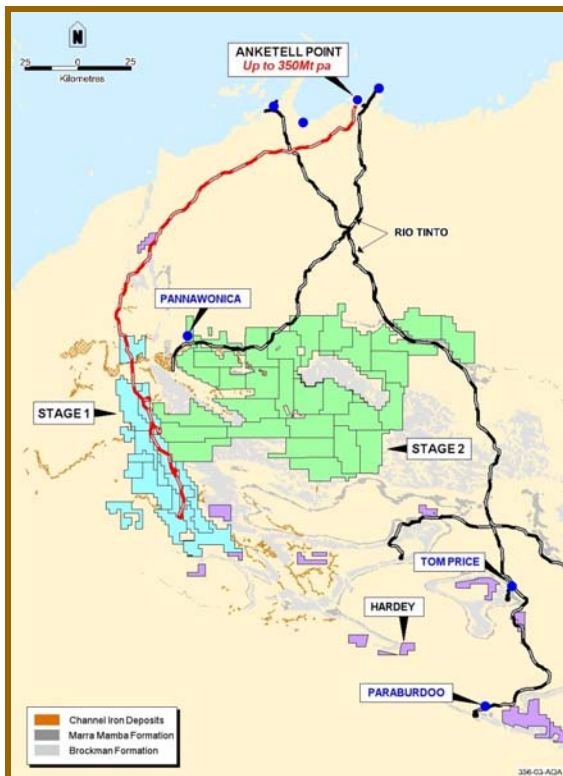


West Pilbara Iron Ore Project Granted Major Project Facilitation Status

Aquila Resources Limited (ASX:AQA “the Company” or “Aquila”) is pleased to advise that the West Pilbara Iron Ore Project (Project) (owned 50% by Aquila), has been granted Major Project Facilitation (MPF) status by the Federal Minister for Infrastructure, Transport, Regional Development and Local Government. The grant of MPF status provides a service to support a timely and efficient Commonwealth Government approvals process for the development of the Project. This status has been granted through to 30 December 2013, by which time all major Project milestones are expected to have been achieved.

A Measured, Indicated and Inferred Resource of 742 million tonnes has been identified on the Project tenements in the Western Pilbara. Strong support has been received from the iron ore market, with 31 Memoranda of Understanding signed with Chinese, Japanese and Korean steel mills to investigate the performance of the West Pilbara Iron Ore Project product in their respective sinter plants.

A Definitive Feasibility Study (“DFS”) for Stage 1 of the Project, based on the production of at least 30Mtpa of direct shipped ore, using a newly constructed, 280km dedicated rail connection from the mine to Anketell Point, as well as port facilities at that site, is due this Quarter of 2010.



Proposed Stage 1 Railway



Proposed Stage 1 Port Development

The facilitation service is provided to the Project through the Commonwealth Department of Infrastructure Transport, Regional Development and Local Government, and will ensure that:

- Information on government approvals processes is provided;
- All relevant government processes are co-ordinated, including those of state and territory governments, so that, as far as possible, they occur simultaneously and without duplication;
- Government agencies respond promptly to issues raised by the project proponent during the approval process; and
- Assistance in identifying and accessing government programmes is provided.

The Company considers this is a very positive development for the Project which will assist the Company's endeavours in bringing its iron ore Project into production.

Tony Poli
Executive Chairman

For further information regarding this announcement, please contact Tony Poli.

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Competent Person Statement

The information in this report that relates to the Hardey, Trinity Bore, Kumina Creek and Robe Exit Mineral Resources is based on information compiled by Mr Stuart H Tuckey. The information in this report that relates to the Catho Well, Catho Well North, Cardo Bore East, Cardo Bore North, Cochrane, Jewel, Kens Bore and Upper Cane Mineral Resources is based on information compiled by Mr Stuart H Tuckey, Dr Sia Khosrowshahi and Mr Jani Kalla who are members of the Australasian Institute of Mining and Metallurgy. Mr Tuckey is full-time employee of the API Management Pty Ltd. Dr Khosrowshahi and Mr Kalla are full-time employees of Golder Associates Pty Ltd. Messers Tuckey, Khosrowshahi and Kalla have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Tuckey, Dr Khosrowshahi and Mr Kalla consent to the inclusion in the report of the matters based on their information in the form and context that the information appears.