

The Australian

Aquila Resources approves Eagle Down coal project

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AQUILA Resources has formally approved the Eagle Downs coal project it has been fighting over in court with joint venture partner Vale.

Aquila said the approval of the hard coking coal project in Queensland meant it would not pursue action in the state's Supreme Court against Brazil's Vale.

Aquila obtained a court injunction last September to stop a management meeting that would have enabled Vale to acquire the Australian miner's 50 per cent stake in the joint coking coal project in the Bowen Basin.

The two have also clashed in court over which port to use to ship coal from Eagle Downs and the timing of building infrastructure. Aquila accuses Vale of trying to weaken its cashflow to force it to sell its stake cheaply. Vale admits it wants to control 100 per cent of Eagle Downs. Aquila shares closed down 9c to \$6.02.

AAP
