

Aquila sign MOU with a Chinese bank

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Aquila Resources has announced it has reached a Memorandum of Understanding (MOU) with China Development Bank to help the expand business opportunities in Australia.

In a statement Aquila said the MOU provided a broad framework to allow both companies to explore mutual opportunities to facilitate Aquila's development, as well as enable China Development Bank to support Baosteel through its investment in Aquila, to expand its business in Australia.

China Development Bank is a strategic partner of Baosteel which holds a 15 per cent stake in Aquila.

See full statement below:

Aquila Resources Limited (ASX:AQA "the Company" or "Aquila") is pleased to announce that it has executed a Memorandum of Understanding (MoU) with China Development Bank Corporation (China Development Bank), a major Chinese financial institution, which provides project financing and financial services to companies in China.

China Development Bank was founded in 1994 and operates under the direct jurisdiction of the State Council. China Development Bank has been a major participant in the long-term financing for key infrastructure and other projects vital to the development of the Chinese economy, and has over the last decade, issued loans totalling more than 1.6 trillion yuan to fund over 4,000 development projects.

China Development Bank is a strategic partner of Baosteel Group Corporation (Baosteel). Baosteel

holds a 15% stake in Aquila, and both Aquila and Baosteel are parties to a Memorandum of Strategic Cooperation entered into in August of last year.

This MoU provides a broad framework pursuant to which, China Development Bank and Aquila will explore mutual opportunities to facilitate Aquila's development, as well as enable China Development Bank to support Baosteel through its investment in Aquila, to expand its business in Australia.

The intent of the MoU is also to assist China Development Bank to expand its business in Australia. The principles of cooperation, provided for in the MoU, are based in equality and mutual benefit and provide support for projects that are consistent with the economic development plans and bilateral diplomatic and trade development strategies between China and Australia.

As Aquila's projects are predominantly in steel raw materials, they are clearly seen as important from the perspective of China's rapidly growing steel industry.

Aquila's interests in projects include, but are not limited to the following:

- Isaac Plains Coal Mine;
- Eagle Downs Hard Coking Coal Project;
- Washpool Hard Coking Coal Project; and
- West Pilbara Iron Ore Project.

Opportunities include mutually beneficial arrangements for project financing and financial services, and provide that China Development Bank will actively support Aquila both in Australia and China, in the investment in and financing of Aquila's various projects. The parties will meet regularly to review the MoU and to identify additional opportunities for cooperation.

In addition, potential personnel exchanges in fields relevant to the activities of each of Aquila and China Development Bank will be pursued.

This MoU provides further opportunity for Aquila to enhance its business connections with the rapidly growing Chinese economy, and to increase the Company's profile in China, as Aquila continues to aggressively pursue its growth strategy both in Australia and overseas.