

SE News
HD Australia board gives green light to Baosteel, Aurizon's takeover bid for Aquila

BY Marnie Hobson

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The Australian Foreign Investment Review Board has advised **China's** state-owned Baosteel and Australian rail haulage **company** Aurizon that it has no objections to their proposed A\$1.4 **billion** (\$1.3 **billion**) **acquisition** of Aquila Resources, Baosteel and Aurizon said in a joint statement Thursday.

In early May, Queensland-based Aurizon and Baosteel made a joint takeover bid for Perth-based Aquila at A\$3.40/share.

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"We are extremely pleased that the FIRB conditions for this transaction have been fulfilled. At the same time, Baosteel believes the transaction, if successful, provides a genuine opportunity for the development of greenfield resources for the benefit of both Australia and **China**," Baosteel chairman Zhihao Dai said in the statement.

Baosteel and Aurizon need a 50% minimum acceptance from Aquila's shareholders. But Aquila has advised its shareholders to take no action, until advised to do so from the **company's** board.

Aquila is developing the 30 **million** mt/year West Pilbara **iron ore** project as a 50:50 joint venture with American Metals & **Coal** International. The project requires port access at the undeveloped Anketell Point, located west of Port Hedland, as well as a 282-km railway leading to the port.

Aquila is also developing the Eagle Downs hard coking **coal** project — via a 50:50 joint venture with Brazil's Vale — located south of Moranbah in the Bowen Basin, close to BHP Billiton-Mitsubishi Alliance's Peak Downs mine. Eagle Downs is due to start production in 2017 at a rate of 4 **million**-5 **million** mt/year.

Marnie Hobson

CO aqres : Aquila Resources Ltd. | baois : Shanghai Baosteel Group Corp

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