

HD Report: Australia suggests restructuring ownership of Baosteel's stalled West Pilbara project

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Following meetings with Baoshan **Iron** & Steel Co. Ltd. executives, Western Australia Premier Colin Barnett has suggested that the stalled West Pilbara **iron ore** project should undergo an ownership restructure to help resume work at the A\$7.4 **billion** operation, The Australian Financial Review reported April 11.

Barnett said the project was "certainly springing into life" having met Baosteel Chairman He Wenbo during a recent trip to **China**. Baosteel indirectly owns a **stake** in the project through its 19.8%-owned unit, Aquila Resources Ltd., which in turn holds a 50% **stake** in API Management Pty. Ltd., the holding **company** of West Pilbara.

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API Management's remaining 50% **stake** is owned equally between POSCO and American Metals & **Coal** International Inc., or AMCI, who remain of two minds about developing the **iron ore** operation.

According to the report, the A\$1.4 **billion** mine development of West Pilbara could be transferred to a separate vehicle while another set of investors could further the A\$6 **billion**, Anketell Point rail and port infrastructure project.

It is yet unclear how the split will be facilitated, but, once settled, would reportedly see an influx of investment from specialist infrastructure operators and investors. To that end, the government intends to ink a native-title deal with the Ngarluma Aboriginal Corp. which would see the natives receive A\$20 **million** over several years.

"That will settle native title on the port site and the industrial site next to it so that's a big step forward," Barnett said.

Both POSCO and AMCI Capital are reportedly seeking buyers for their respective **stake** in the project — AMCI Capital CEO Harris Antoniou, however, has denied the speculation. "AMCI is committed to the development of the project and we have no plans to sell our interest," Antoniou said.

In contrast, POSCO, which acquired a **stake** in West Pilbara for A\$200 **million** at a previous date, is seeking to restructure itself in a bid to improve its financial structure. According to The West Australian, Baosteel was nearing agreements to acquire POSCO and AMCI's **stake** in West Pilbara.

API Management owns a 60% **stake** in West Pilbara, the remaining 40% of which is held by Red Hill **Iron**. API Management's **stake** would go up by 20% once first commercial shipment of **ore** is achieved from West Pilbara.

CO aqres : Aquila Resources Ltd. | baoirn : Baoshan Iron & Steel Co Ltd | baois : Shanghai Baosteel Group Corp | pohr : Posco Co

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