



HD Aquila Resources takeover bid 'boosts prospects of new Pilbara port': analyst

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A \$1.4 **billion** takeover bid for Aquila Resources has boosted the prospects of a new port in Western Australia's Pilbara region, an analyst has said.

It was revealed on Monday that **Chinese** steel **company** for the **company**.

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Aquila currently holds a 50 per cent **stake** in the West Pilbara **Iron Ore** project, which includes a proposal to develop a mine and railway and the multi-user Anketell Port, near Karratha.

Resource analyst Tim Treadgold said if the bid was accepted, it would be a significant step forward for the project.

"You would have to say that the whole mine, rail, port project has moved forward quite substantially," he said.

"The only worry they've got is the **iron ore** price not being very kind to anybody, they'll have to watch that very carefully and it will be a factor in Baosteel deciding when, or if, it pushes ahead with Anketell.

"The game in the Pilbara is picking up speed again."

An agreement with traditional owners for use of the land on which the port would be built was signed last week, while WA Premier Colin Barnett recently travelled to Shanghai to discuss the project with Baosteel's management.

Chinese keen to access own resources

Mr Treadgold said it was up to Aquila's shareholders whether to accept the bid.

"It's up to the individual shareholders in the **company** and I would suspect that it's quite attractive because Aquila showed a lot of promise for a long time but hasn't really been able to achieve a great deal with its **iron ore** assets in the Pilbara," he said.

"The combination of Baosteel which is **China**'s biggest steel maker and Aurizon, which is one of Australia's biggest rail operators is a pretty potent force.

"It's also part of **China**'s longer term plan to minimise or cut back on its reliance on the big three of the Pilbara; BHP Billiton, Rio Tinto and Fortescue Metals Group.

"The **Chinese** are very keen to get access to their own resources hence investing heavily in the Gindalbie Project in the Mid West, which hasn't really succeeded, and they've also invested heavily in the Sino **Iron Ore** Project which also hasn't succeeded, both being magnetite mines and very difficult.

"This one is a 'plain vanilla, dig and deliver project' which could well succeed quite quickly and quite substantially."

Aurizon's Managing Director and CEO, Lance Hockridge, said in a statement the deal could boost jobs, national exports and generate significant royalty revenue for the Government.

"This project has potential to deliver new independent, multi-user rail and port infrastructure that would create new options for mid-tier miners and increase competition for bulk logistics delivery in the Pilbara," he said.

CO aqres : Aquila Resources Ltd.

IN i211 : Metal Ore Mining | i2112 : Gold Ore/Silver Ore Mining | ibasicm : Basic Materials/Resources | imet : Mining/Quarrying

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