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HD Australia's Aquila bows to Baosteel's \$1 bln bid

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LP MELBOURNE, June 18 (Reuters) - Australian iron ore developer Aquila Resources Ltd told shareholders to accept a takeover offer led by Chinese steel giant Baosteel Resources valuing the company at \$1.3 billion, in a surprise move after rejecting a higher rival bid.

TD At stake is Aquila's biggest asset, a 50 percent stake in the \$7 billion West Pilbara Iron Ore mine, rail and port project, which Baosteel wants to kick start with Australian rail operator Aurizon Holdings Ltd.

Aquila's executive chairman and co-founder [Tony Polj](#), who had been seen as as the biggest hurdle to Baosteel and Aurizon's bid, planned to accept their offer but reserved the right to change his mind, Aquila said.

"It remains possible that a superior proposal could emerge," Aquila said, telling shareholders not to rush into taking any action.

The company rejected a competing offer from new shareholder, mining contractor [Mineral Resources Ltd](#), that valued the company at A\$1.54 billion (\$1.45 billion). Aquila said it has ended talks with Mineral Resources.

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CO aqres : Aquila Resources Ltd. | qmntnl : Aurizon Holdings Limited | baos : Shanghai Baosteel Group Corp

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