

SE Business  
HD **China's Baosteel moves for new Pilbara resource**

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Takeovers - \$6b vision for Anketell Point

**China's** most powerful steel maker, Baosteel, is making an aggressive play to unlock a new **iron ore** province in the West Pilbara, and is planning to help underwrite a \$6 **billion** port and rail development at Anketell Point to service the region.

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State-owned Baosteel on Monday joined forces with rail haulage **company** Aurizon to lob a \$1.34 **billion** takeover bid for Perth-based Aquila Resources.

The cash bid of \$3.40 a share would grant them control of the stalled \$7.4 **billion** West Pilbara **Iron Ore** project, which is led by Aquila in a joint venture.

The bidders will have great difficulty getting the bid over the line without the support of the board, given executive chairman Tony Poli - a former rich lister - and co-founder Charles Bass hold about 40 per cent of the registry.

The offer, which values Aquila at \$1.42 **billion**, is conditional on 50 per cent acceptances.

Baosteel already owns 19.8 per cent of Aquila, after taking a strategic **stake** in 2009. But on Monday Baosteel Resources vice-president Wu Yiming expressed frustration at delays to the West Pilbara project.

She said Baosteel had tried its best and had installed executives on the Aquila board to try to fast-track the project.

"We've been very patient but we have become frustrated," she said. "So what we are going to do is get things started."

Aurizon chief Lance Hockridge agreed, saying he was confident the bidding duo could "burst through the impasse".

"There is clear frustration to see what on the surface is a very high-quality, highly prospective project has not progressed," he said.

It includes the proposed \$6 **billion** deepwater port to be built at Anketell Point near Dampier, and a 432-kilometre heavy-haul rail line, which would unleash a new **iron ore** province in the Pilbara.

Anketell would have an initial shipping capacity of about 40 **million** tonnes but that could be expanded to 300 **million** tonnes.

The West Pilbara project's **iron ore** resource of about 2.2 **billion** tonnes could alone underpin the infrastructure development.

But Aurizon and Baosteel said the port and rail would be "multi-user", with "the potential to unlock hundreds of tonnes of land-locked opportunity [in **iron ore**]," Mr Hockridge said.

Baosteel has been pushing for the diversification of supply of Pilbara **iron ore** through the development of Anketell.

Martin Alciaturi, Aquila's general manager of finance and corporate, said the bid had lobbied in the early hours of Saturday but Aquila needed more time to consider the bid in full.

Aquila, which listed on the exchange in 2000, also has a 50 per cent **stake** in the Eagle Downs hard coking **coal** project in Queensland's Bowen Basin.

Some analysts question the timing of the Baosteel-Aurizon bid, given **coal** prices are in the doldrums.

The bid sent shares up 36.32 per cent to close at \$3.36 on Monday.

<b>CO</b>	aqres : Aquila Resources Ltd.   baois : Shanghai Baosteel Group Corp
<b>IN</b>	i211 : Metal Ore Mining   i2112 : Gold Ore/Silver Ore Mining   i22 : Primary Metals   i221 : Iron/Steel/Ferroalloys   ibasicm : Basic Materials/Resources   imet : Mining/Quarrying   isteel : Steel Production
<b>NS</b>	c181 : Acquisitions/Mergers/Takeovers   c18 : Ownership Changes   cactio : Corporate Actions   ccat : Corporate/Industrial News   ncat : Content Types   nfact : Factiva Filters   nfcpin : FC&E Industry News Filter
<b>RE</b>	austr : Australia   china : China   apacz : Asia Pacific   asiaz : Asia   ausnz : Australia/Oceania   bric : BRIC Countries   chinaz : Greater China   devgcoz : Emerging Market Countries   dvpcoz : Developing Economies   easiaz : Eastern Asia
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