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Media Release

Port Rules On Nickel Exports

The Esperance Port Authority today informed nickel exporters that the Port will not be handling nickel concentrate as a bulk product from January 1, 2009.

The Port will continue to handle nickel concentrate exports in bags or containers.

Port Board Chairman Jim Matijasevich said the decision was made reluctantly because of the stringent conditions imposed on the Port in relation to dust and odour emission and because of the unsustainable cost of upgrading the existing concentrate circuit or building a new one to meet those conditions.

Mr Matijasevich said the Board reached this unanimous decision after investigating all options with both the regulators and the nickel concentrate exporters.

He said the Port had allowed the companies three months to facilitate changes to their export procedures and bag or containerise the product.

“The initial cost of enclosing the existing concentrate system is \$30 million, and subsequent investigations of other options showed that the cost to be up to \$110 million,” Mr Matijasevich said.

“None of the options considered guaranteed that dust and odour standards required will be met, and the cost is beyond the point of diminishing returns and, therefore, is not sustainable.”

Mr Matijasevich said the Port Board was not willing to accept the risks associated with any of the options for a number of reasons.

These included the significant capital investment required to meet environmental standards without guarantees, the disruption to other existing customers and services at the Port and the threat to the Port from the statutory authorities to suspend or cease operations, issue pollution prevention notices, or instigate prosecutions against the Port.

Mr Matijasevich said the perceived and actual impact that nickel dust and odour had on the community and the environment was seriously undermining the Port’s ability to progress with the planned expansion to meet the needs of current and potential customers.

Nickel concentrate exports through Esperance started in 1972 following Western Mining Corporation’s development of mines at Kambalda. These exports ceased in 1987 and concentrate exports from other exporters started in 1993.

Ends

For further information contact Port Authority Chairman Jim Matijasevich on 0422595575.

