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## **Update: Esperance Port - Multi User Iron Ore Facility Project**

Fifty companies are participating in the next phase of the Esperance Port's Market Sounding exercise that is being undertaken to determine the private sector's interest in financing, building and managing a new multi user iron ore facility (MUIOF) at the Port.

Esperance Port CEO, Shayne Flanagan said "Over the next few weeks Registrants will provide further information that will enable the Project Team to make a recommendation to Government regarding the level of market interest in the project.

The Port is encouraged by the response by the private sector and with the flow of information between those participating companies, particularly the mining companies.

A recent briefing of interested parties by the market sounding team outlined the purpose of the exercise, engineering options for the MUIOF, commercial arrangements and the pricing regime for the project. The briefing attracted 66 participants.

Since then, project consultants have contacted all the mining companies that have registered to participate to confirm their agreement to share specific information with other participants.

This is necessary to determine the possible scope of the project and the readiness of mining companies to proceed."

Mr Flanagan said if there continued to be sufficient interest in the project, the MUIOF Project Team would prepare a Business Case for Government to consider and begin the process of seeking approval to procure a preferred proponent.

He said the planned timing of the procurement process remained on track and preparations were expected to begin in late 2012 with a Request for Proposal to be advertised in early 2013 and the preferred proponent being selected by the third quarter 2013.

Construction could begin as soon as the preferred proponent could arrange finance and complete planning. This was likely to be in 2014.

Currently the Esperance Port has an iron ore export licence limit of 11.5 million tonnes. In the 2011-12 financial year the Port handled 8.9 million tonnes. The proposed expansion could increase its handling capacity to more than 30 million tonnes annually.

The Market Sounding exercise has been undertaken following a survey of potential iron ore exporters from the Yilgarn Region which revealed a shortfall of iron ore export infrastructure at WA ports and the miners' preference to export through Esperance.

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