



ESPERANCE PORTS

Sea & Land

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Media Release

Five Submissions for New Port Infrastructure

Five organisations have prequalified to be considered for short listing to tender to develop a new multi-user iron ore facility at the Esperance Port when the prequalification period closed on Friday.

During the registration period 36 companies and consortia had shown interest in the project.

Esperance Port CEO Shayne Flanagan said the Port was encouraged by the response and the quality of those companies that are seeking to design, finance, build and operate the new facility at the Port.

“This is a major project, and we were aware that only a handful of companies and consortia would be able to meet the registration requirements,” Mr Flanagan said.

“That included indicating that they understand and can manage the project risks, which include a take or pay arrangement with the potential users of the new infrastructure, provide or secure debt and equity finance for the construction of the facility and its ongoing operations, and reach financial closure for the project.

“They also had to show that they had experience in designing, constructing and operating Port facilities.”

Mr Flanagan said a panel comprising an independent chairman and four members including two independent members was being formed to evaluate the submissions and select a short list of three entities to proceed to the request for proposal phase of the project.

He said the panel along with the support of technical advisors would review and score each application against established criteria.

“During the request for proposal phase we will be seeking more detailed submissions from the short-listed entities that deal with contractual arrangements between the Port and the entities, and the capacity of the new infrastructure that is based on the proven requirements of the iron ore miners,” Mr Flanagan said.

“Concept designs based on the viable demand, indicative pricing, concrete draft take or pay agreements with the mining companies and a financial model will be among other information that will be required.”

Mr Flanagan said the new multi user facility would proceed along commercial lines, but the scope of the project, the number of mining companies that would be ready to use the new export infrastructure and the cost of the new facility would not be known until the request for proposal submissions were finalised.

He said this evaluation of the registered entities was expected to be completed by the end of April, after which the short listed companies that would participate in the request for proposal phase of the project would have until the third quarter of this year to finalise their tenders.

The preferred proponent to proceed with the project would be selected before the end of the year.

The process to procure a proponent for the project followed a demand study of the requirements for new export infrastructure to meet the needs of Yilgarn mining companies.

A market sounding carried out in late 2012 indicated a need for new infrastructure and a process to procure a private sector entity to meet the identified demand was initiated.

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