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MEDIA RELEASE

YES CONSORTIUM TO DEVELOP ESPERANCE PORT'S MULTI USER IRON ORE FACILITY

Yilgarn Esperance Solution Limited (YES) has been selected as the preferred proponent to design, finance, build and operate the new Multi-User Iron Ore Facility (MUIOF) at the Esperance Port following the Request for Proposal (RFP) process for the project.

YES is a consortium led by Asciano, which has a proven track record in developing and operating ports in Australia and internationally.

Esperance Ports Sea and Land (ESPL) Chairman, Bob McKinnon said the Port Authority's Board selected YES after a comprehensive bid and assessment process, assisted by an independent evaluation panel, which in turn received input from independent engineering, commercial and legal advisors.

"YES has a proven track record for both the development and operation of ports in Australia and internationally and we look forward to the consortium delivering a new iron ore facility, which will increase the port's iron ore handling capability, while creating an export pathway for mining companies with tenements in the Yilgarn region," said Mr McKinnon.

The next phases of the project are for Esperance Port and YES to reach contractual closure, and then for YES to negotiate contractual agreements with mining companies to achieve financial viability. Following this, EPSL and YES will then enter into legally binding agreements for the construction of new port facilities.

Additional iron ore tonnage passing through the port is also likely to result in private investment and additional work on the rail freight network. Complementing this is recent expenditure by the State Government to improve the transport corridor leading to and from the port.

Mr McKinnon said EPSL would work with YES to ensure that the local workforce and businesses have every opportunity to benefit from the MUIOF project. He added that safety and environmental matters were paramount for ESPL and YES.

"The MUIOF will comply with the existing environmental conditions contained within the port's iron ore export licence," Mr McKinnon said.

YES is expected to commence engineering design work immediately following completion of contractual closure, with construction to commence shortly after achievement of financial closure.

It is anticipated that, in the first instance, the port's iron ore handling capacity will be increased by about nine million tonnes per annum at a capital cost of approximately \$200 million. The scale of the upgrade will be a reflection of contracts signed between miners and YES.

ENDS

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