



# ASX and Media Release

## Design and construct contract awarded for the Port Pirie iron ore storage facility

WPG Resources Ltd (ASX:WPG) is pleased to advise that it has awarded the design and construction contract for the iron ore receipt, storage and load-out facility it intends to build at Port Pirie as part of the development of its flagship Peculiar Knob DSO iron ore project south of Coober Pedy in South Australia.

The contract has been awarded to Kerman Contracting Limited. Kerman are specialists in design and construction of bulk commodities storage facilities, and have built similar iron ore storage and handling facilities at Geraldton, Esperance and Whyalla ports in recent years.

The contract provides for the design, procurement, construction and commissioning of a facility that includes train unloading, enclosed stockpiling, reclaiming and ship loading components. Construction is expected to be finished in December 2011.

The contract has been awarded by Spencer Gulf Ports Pty Ltd, WPG's wholly owned subsidiary, which will own and operate the facility on behalf of WPG. Capacity in excess of that required by WPG for its own use, initially 3.3 million tonnes per annum, will be made available to third party users on commercial terms.

The lump sum contract is divided into two parts:

- the design phase, on which work will commence immediately; and
- the construction phase, which will not commence until all necessary approvals are to hand.

The key outstanding approvals still to be received are:

- approval by the South Australian government of the development application (DA) lodged on 5 November 2010 for the Port Pirie facility; and
- approval by the South Australian government of the mining and rehabilitation program (MARP) lodged on 16 November 2010 for the mine and site works.

**13 December 2010**



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The DA and the MARP are now being reviewed by the government regulators. Both regulators, being the Development Assessment Commission (DAC) for the DA and PIRSA for the MARP have asked WPG to provide additional information, as has the Commonwealth Department of Sustainability, Environment, Water, Population and Communities (SEWPAC). WPG expects to provide this information shortly.

PIRSA has provided WPG with draft timelines which suggest the MARP will be approved during March 2011, which period includes assessment of the information to be sent to SEWPAC. WPG has no indication yet as to the timetable being followed by the DAC, but expects it to be similar to PIRSA's.

WPG intends that iron ore sales will commence no later than 10 months after the date of the grant of the DA and the approval of the MARP.

**Further Information**

*For further information please contact Bob Duffin, WPG's Executive Chairman on 02 9247 3232 or 0412 234 684 or Heath Roberts, Executive Director and General Counsel on 02 9247 7359 or 0419 473 925.*