



\$210m port expansion planned



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ESPERANCE Ports Sea and Land has entered into a Framework Agreement with Cashmere Iron for an estimated \$210 million expansion of iron ore facilities at the port.

Cashmere Iron is part of the Yilgarn Iron Producers' Association (YIPA), a group of nine mining companies, whose chairman and secretary met with representatives of the port last month.

The expansion will include hermetically-sealed sheds for hematite iron ore, a new rotary car dumper and a new conveyor system.

"The project has been broken in to Stages 1 and 2," said Esperance Ports Sea and Land chief executive officer, Michal Frydrych.

"It's based on tonnage available for export, but given the response, we could go in to Stage 2 directly, which would

include an extension to Berth 3 and one more loader."

The project, which is to be funded by Cashmere Iron, is expected to be completed by 2013 if everything goes to plan.

Cashmere Iron chairman, David Hendrie said. "The expansion will be within the footprint of the port, so no outside land will be used.

"We have worked closely with the port since the beginning of the year and it could still take the next four or five months for the whole process to go through."

Mr Frydrych confirmed this, saying, "Basically what we have is a Memorandum of Understanding.

"It is a legally non-binding agreement between two parties that they will co-operate, but if it isn't acceptable to the Board or the Minister, it can be revoked."

He said the most likely place for the location of the new sheds will be in the vicinity of Berth 3 where the current Cliffs' ship loader is situated.

It will, however, not jeopardise any through-planned by Cliffs.

Iron ore from the Yilgarn region is already being exported through Esperance Port, but these exports are expected to grow as more exploration is undertaken in the Yilgarn area.

"The Yilgarn region has enormous potential," Yilgarn Iron Producers' Association (YIPA) chairman, Gregory Bromley said last month.

"The co-operative development of rail and other infrastructure could turn the central Yilgarn into Australia's next big iron ore powerhouse.

Mr Frydrych urged people "not to get too excited" as there were still many steps to be taken

in the approval process through government departments.

"I am therefore reluctant to put a date on when it might start or be finished," he said.

"We've had a very good response from the mining companies and have talked to the government bodies.

"Everyone seemed to view it in a positive light, so I am feeling pretty good about it."

Mr Frydrych also said the other important aspect of the project was that mining companies signed a commitment to bring the necessary tonnages of iron ore into the port to make the investment worthwhile.

"It has to be understood that when the Oakajee project is ready, some miners will take the shorter route available to them," he cautioned.



THE New Esperance Port expansion is expected to be located in the vicinity of Berth 3, the vacant area to the right of the photo, but will not affect ongoing operations of Cliffs' Natural Resource iron ore exports.