

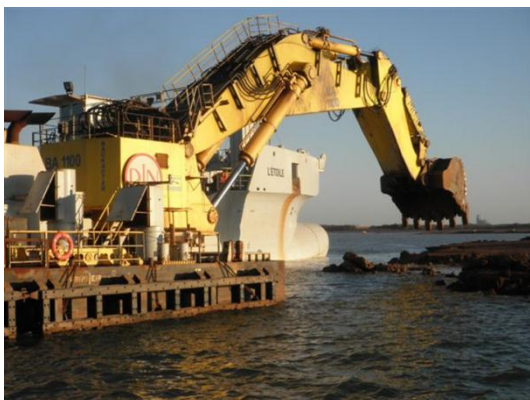
ROY HILL STARTS DREDGING OPERATIONS

A significant milestone in the development of the Roy Hill Project was reached yesterday when backacter POSTNIK YAKOLEV began dredging in the South West Creek, within Port Hedland's inner harbour. This is the first stage of the Roy Hill Project's port infrastructure development.

Dredging will be done in a number of stages, using both backacter and cutter suction dredges. There are two backacters contracted for the Roy Hill dredging, the second of which is expected to commence within a week. The backacter will dig material down to a depth of 6m below the low tide mark, with the material being loaded into barges and taken out to sea, where it will be dumped in approved locations.

The backacter work is expected to continue for around 8 months, with a cutter suction dredge commencement date expected to be sometime in Q4 this year. The cutter suction dredge will remove the remainder of the dredge material to the full depth required.

Dredging completion is expected sometime in Q2 2012, by which time approximately 7.5Mm³ of material will have been dredged by the project to allow the construction of needed port infrastructure, including two berths; Stanley Point 1 and Stanley Point 2, which will provide an export capacity of 55Mtpa for the project.



Backacter POSTNIK YAKOLEV dredging the South West Creek