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MEDIA RELEASE

Governments urged to fast track visionary project as Iron Boomerang improves viability for massive job creation

The business case for a visionary industrial project that could create more than 35,000 Australian construction jobs, including up to 4,000 in the Northern Territory and South Australia is now even more compelling, according to its founder and managing director, Mr Shane Condon.

Mr Condon said detailed supply chain logistics data has improved the viability of Project Iron Boomerang by more than \$1 billion in the past year, despite the global financial crisis.

He said the revolutionary US\$12.45 billion project should be fast tracked by State, Territory and Federal Governments because it would be one of the largest resource developments ever undertaken in Australia and could single-handedly revitalize the debt-stricken Darwin to Adelaide railway.

Project Iron Boomerang is a major Australian steel smelter and infrastructure development project being developed by Brisbane-based East West Line Parks Pty Ltd (EWLP).

It is comprised of a new 3,370km trans Australian railway from Port Hedland, Western Australia to Moranbah, in the central Queensland coal fields, as well as 6 or more steel smelters on both coasts (12 or more in total), associated port facilities and infrastructure to support the project.

Steel makers will pay the costs of smelter construction at the industrial parks, which are ultimately expected to exceed a further US\$30 billion.

“Despite the economic gloom that’s gripped the world for the past year, this project just keeps looking better and better,” said Mr Condon.

“Project Iron Boomerang will create a unique opportunity to forge a link between Australia’s main coal and iron ore reserves and by doing so, realize massive reductions in the cost of delivered slab steel to our major trading partners.”

Mr Condon said the project would generate more 35,000 construction jobs over 3 ¼ years and 8,000 permanent jobs at each end, using a combination of both Australian and overseas steelmakers expertise under a 50/50 partnership scheme.

He said 20 of the world’s biggest steel makers and 48 other interested parties had signed confidentiality undertakings and had been provided with copies of the pre-feasibility study.

Discussions have also taken place with representatives of Federal, State and Territory governments in Australia, as well as five international governments.

Mr Condon used the opening of today’s annual Northern Territory Transport Infrastructure Summit in Darwin to update key industry and government stakeholders on the progress of his exciting and visionary project.

He urged all Australian Governments to do everything in their powers to help accelerate the feasibility study, which would be largely funded by international steel makers.

“This is a massive nation-building project that proposes new national infrastructure and capital expenditure and which will diversify Australia’s economy and skill base,” said Mr Condon.

“One of the core benefits is that it provides Australian industry with a unique opportunity to create and capture the value-add from first stage steelmaking production prior to export, which means increased export income and eventually, increased tax revenue for governments.

“A project like this should be fast-tracked which could bring these benefits forward by one year to 2011.”

Mr Condon said the initial feasibility study would start to generate between 200 and 300 jobs in the Northern Territory and South Australia in 2009 or 2010, while construction would create up to 3-4,000 jobs over three years.

Funding was currently being sought for the feasibility study, which was expected to cost around \$150 million.

Core commercial anchor project funds will back the cost of the US \$12.45 billion project. Steel mills will fund their twelve first-stage steel mills at US \$1.25bn each. Supporting infrastructure based on the anchor consortium participants long-term project commitment will take the final cost of Project Iron Boomerang to US\$25 to 30 billion.

Mr Condon said State, Territory and Federal Governments could also assist by providing whole – of-Government resources for the preparation of the feasibility study as originally recommended in a 2006 report by the Howard Government’s Head of Prime Minister and Cabinet, Dr Peter Shergold.

He also predicted Project Iron Boomerang could breathe new life into the financially-troubled Darwin to Adelaide railway line, owned and operated by FreightLink.

“The Darwin to Adelaide line will be the primary freight connection during the construction phase of Project Iron Boomerang,” said Mr Condon.

“We’re going to need millions of tonnes of steel, fuel, construction equipment, materials and everyday goods and services for the thousands of workers employed during the construction.

“Of course we should follow the very successful corridor acquisition and construction template for the Darwin-Adelaide line as it was finished in record time and under budget.

“Project Iron Boomerang offers substantial long-term inter-generational benefits for the long term viability of the Darwin-Adelaide railway and I’d expect our project alone could increase payloads on the line between three and five times and make it profitable the moment our construction begins.”

Mr Condon also believes Project Iron Boomerang could be the economic catalyst for massive new multiple mine development in the Northern Territory, Western Australia and Queensland, by providing transport and supply logistical solutions.

“Many such mines are now negotiating with us particularly in Queensland and we expect mines in the Territory and South Australia to follow suit

“The construction of a trans Australian railway with smelter parks on both east and west coasts will add a whole new scale of economy to a lot of resource projects from magnetite beneficiation to coal and gas,” said Mr Condon.

“Project Iron Boomerang can provide massive surplus base load co-generated power for grids at each end of the continent for such supporting developments.

“It’s hard to estimate, but Project Iron Boomerang could be a deciding factor for new mine developments worth as much as \$30 billion.”

The project was also timely, given Australia's commitment to reducing carbon output and the proposed introduction of an Emission Trading Scheme.

"This plan is so environmentally efficient we do expect to generate considerable carbon credits, squarely based on practical commonsense efficiencies," said Mr Condon.

"As well, world steelmakers are continuously developing and making major technical advances which will be greatly enhanced and advanced within this project's concept and strategy."

FOR MEDIA INQUIRIES

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For further information, please visit:

www.eastwestlineparks.com.au

BACKGROUND

WHAT IS PROJECT IRON BOOMERANG?

Project Iron Boomerang is proposing two major integrated steelmaking, service industry and infrastructure industrial smelting hubs on Australia's east and west coasts which it will lead through all stages of its development to the operation services and administration.

These hubs will sit on major business parks to be linked by the transcontinental railway line across the resource-rich northern states, including Western Australia's iron ore mines in the Pilbara and Queensland's Bowen Basin coalfields

The infrastructure, services and resource linkages will support and fuel 12 blast furnaces - six on each coast - to create one of the world's largest commercial projects with an estimated overall cost of US\$45 billion. *(including both PIB and the independently owned and operated, blast furnaces, coke ovens, power stations slab wharves water and infrastructure services)*

The single purpose transcontinental rail link proposed will run 3,370km from Port Hedland (spur to Dampier) in Western Australia (WA) via the Newman Fortescue River Valley Smelting Park Precinct to the Abbot Point Precinct, near Bowen in North Queensland.

International and domestic iron and steel producers are being invited to establish or relocate their first stage iron making plants at either end of this rail line to capitalise on the efficiencies offered.

The Project's primary objective is to service and facilitate the production of slab steel in Australia for export by the EWLP-PIB global steelmakers to their overseas 2nd stage finishing steel mills. It will therefore reduce the quantities of seaborne iron ore and metallurgical and/or thermal coal consumed in the world's steel production cycle.

In total, Project Iron Boomerang's first stage will thus account for the current movement of almost 25% of Australia's total iron-making bulk ore exports of iron ore, coking coal and some thermal coals. The total production output of PIB 1st stage of 44M tonnes per year of slabs, is around 8% of China's total production of finished iron and steel (2007 IISI).

The project's 1st stage will consume 106M tonnes per year of steelmaking ores replaced by 44M tpy of slab steel 22M tpy exported from each end! This is a net gain of 62M tpy of ores not shipped and received (say to China & India or Japan or Korea) which PIB's current Pre Feasibility figures indicate will save the current supply chain infrastructure expansion costs for the ships trains wagons wharves around US\$9 Billion in current expansion costs of overexposure for bad time risk management.

This export bulk ore mix will be consolidated three times through the use of vessels around one-third the size of those now being used as they will be mostly arriving from overseas with cargo for Australia instead of bunkered seawater and loaded with slab steel for the return journey. Project Iron Boomerang is aiming to achieve around 70-80% return cargo efficiencies with special slab ship design now under a scoping design study.

Iron Boomerang is economically important for Australia and its world major trading partners in the steel cycle. It offers a sustainable scale and competitive means of reducing the cost per tonne of world steel produced.

The project can also meet the social expectations of a broad range of stakeholders while reducing global environmental impacts.

WHO IS BEHIND PROJECT IRON BOOMERANG?

East West Line Parks Pty Ltd (EWLP) is the proponent of Project Iron Boomerang (PIB) EWLP is primarily owned by private individuals, led by Shane Condon and his partner, Jim Handford, private companies and major Australian and international publicly listed companies.

Shane Condon is the managing director of EWLP. He has worked in the meat and seafood industries as both a business operator and a consultant. His work has involved developing export markets in Japan, South East Asia, the US and South America.

Mr Condon has recruited a strong team of highly-capable world class professionals and companies who are committed and who can deliver and realise the project's business goals and objectives.

WHAT WILL THE PROJECT COST?

It is estimated that the total project cost will be in excess of US\$45 billion, which project proponents believe would make it one of the largest commercial global projects in history.

The EWLP PIB infrastructure administration and services component is around US \$12.4 Billion

The feasibility study for the project is estimated to cost approximately A \$150 million.

WHAT IS THE PROPOSED TIMETABLE FOR THE PROJECT?

2010/11: Project design, build and construct implementation commences, administered by EWLP and the joint feasibility consortium as formed and approved. Consortium members share capital committed to the Public Unlisted Company.

July 2013: First trains run and Smelter Park units commence production.