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ASX Market Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

29 May 2014

BY ELECTRONIC LODGEMENT

Joint off-market bid for Aquila Resources Limited – Fulfilment of FIRB conditions

Please find attached announcement for immediate release to the market.

Yours faithfully

Dominic D Smith
VP & Company Secretary

For personal use only



29 May 2014

FULFILMENT OF FIRB CONDITIONS TO BAOSTEEL & AURIZON JOINT OFFER FOR AQUILA

Baosteel Resources Australia Pty Ltd (**Baosteel**) and Aurizon Operations Limited (**Aurizon**) (together the **Bidders**) refer to their notice to the ASX today that the Foreign Investment Review Board (**FIRB**) conditions to their joint offer to acquire 100% of the ordinary shares in Aquila Resources Limited (**Aquila**) for A\$3.40 cash per share (the **Offer**) have been fulfilled.

The Bidders have today each received letters from FIRB (on behalf of the Commonwealth Treasurer) advising that there is no objection to the acquisition of Aquila by the Bidders pursuant to the Offer. The Offer remains subject only to a 50% minimum acceptance condition and those other limited customary conditions set out in Section 12.7 of the Bidders' Statement lodged with the Australian Securities and Investments Commission (ASIC) on 14 May 2014.

There are no Chinese regulatory approvals or funding conditions associated with the Offer.

Commenting on the fulfilment of the FIRB conditions, Baosteel Resources International Co., Ltd (**Baosteel Resources International**) Chairman Mr Zhihao Dai said: "We are extremely pleased that the FIRB conditions for this transaction have been fulfilled, which further reduces the already limited conditionality associated with the Offer. Our compelling Offer provides Aquila shareholders with an opportunity to realise certain value for their Aquila shares at a significant premium to the Aquila share price prior to the announcement of the Offer. At the same time, Baosteel believes the transaction, if successful, provides a genuine opportunity for the development of greenfield resources for the benefit of both Australia and China."

Aurizon Holdings Limited Managing Director & CEO, Mr Lance Hockridge said: "Aurizon welcomes FIRB's decision. The Offer is the first step in a potential pathway to co-investment in resources and greenfield infrastructure, representing a great opportunity to co-develop world-class rail and port infrastructure in Australia, and in the process generate new jobs, boost national exports and deliver to government significant royalty revenue."

The Bidders' Statement, which provides full details of the Offer (including reasons why Aquila shareholders should accept the Offer) is currently expected to be mailed to Aquila shareholders shortly.

Further information

Aquila shareholders with any questions in relation to the Offer are encouraged to call the Offer Information Line or visit the Offer Website, details of which are contained below.

Media Enquiries:

Greg Baxter
Newgate Communications
0419 461 368

Aquila Shareholder Enquiries:

Offer Information Line:
Within Australia (toll-free): 1300 309 589
Outside Australia: +61 2 8022 7902
Offer Website: www.aquilaoffer.com.au

About Aquila

Aquila is a West Australian-based resources company with a portfolio of greenfield projects in Australia and South Africa. Commodities within Aquila's portfolio of projects include iron ore, coal (hard coking coal and low volatile PCI) and manganese, all of which are used in the production of steel products.

Additional information about Aquila can be found on its website at

<http://www.aquilaresources.com.au/>

About Baosteel, Baosteel Resources International and Baosteel Group

Baosteel is an Australian incorporated company formed in 2011 for the purpose of investing in Australia.

Baosteel Resources International is a wholly-owned subsidiary of Baosteel Group Corporation (**Baosteel Group**). Baosteel International is incorporated in Hong Kong and its principal activities involves investment and development of mining resources overseas.

Baosteel Group is a Chinese state-owned iron and steel producer headquartered in Shanghai, China. The company is one of China's leading iron and steel producers with crude steel output of approximately 43.8 million tons in 2012.

Additional information about Baosteel Resources International and Baosteel Group can be found on the below websites at http://www.baosteelresources.com/index_1.aspx and

http://www.baosteel.com/group_en/.

About Aurizon

Aurizon is a wholly-owned subsidiary of Aurizon Holdings Limited.

Aurizon Holdings Limited is Australia's largest rail freight operator, operating a 2,670km network of heavy haul rail infrastructure in Central Queensland. It is the largest hauler of coal in Australia, transporting 193.7 million tonnes in 2012/13. Aurizon Holdings Limited also provides a range of specialist services in rail design, engineering, construction, management and maintenance, and offers large-scale supply chain solutions to a diverse range of customers across Australia. Aurizon Holdings Limited is incorporated in Australia and listed on the ASX.

Additional information about Aurizon Holdings Limited can be found on its website at

www.aurizon.com.au



29 May 2014

Company Announcements Officer
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

And to: Aquila Resources Limited
Level 2 Aquila Centre
1 Preston Street
Como WA 6152

JOINT OFF-MARKET BID BY BAOSTEEL RESOURCES AUSTRALIA PTY LTD AND AURIZON OPERATIONS LIMITED TO ACQUIRE 100% OF THE SHARE CAPITAL OF AQUILA RESOURCES LIMITED – FIRB CONDITION FULFILLED

We refer to the Bidders' Statement dated 14 May 2014 in respect of the joint offer by Baosteel Resources Australia Pty Ltd ABN 66 154 815 362 (**Baosteel**) and Aurizon Operations Limited ABN 47 564 947 264 (**Aurizon**) (together, the **Bidders**) to acquire 100% of the ordinary shares of Aquila Resources Limited ACN 092 002 769 (**Aquila**) (**Bidders' Statement**).

Unless otherwise specified, capitalised terms in this announcement have the meaning given in the Bidders' Statement.

The Bidders advise that the Defeating Conditions in sections 12.7(b) and (c) of the Bidders' Statement, that each of Baosteel and Aurizon obtain approval from the Foreign Investment Review Board to acquire all Aquila Securities, have been fulfilled.

The Bidders enclose, by way of service pursuant to section 630(5) of the Corporations Act, a notice given under section 630(4) of the Corporations Act in relation to the fulfilment of the Defeating Conditions set out in sections 12.7(b) and (c) of the Bidders' Statement (**Notice**).

We request that this letter is immediately released to the market through Aquila's and Aurizon Holdings Limited's ABN 14 146 335 622 announcements platform pages.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Chao Ji'.

Mr Chao Ji
Director
Baosteel Resources Australia Pty Ltd

A handwritten signature in black ink, appearing to read 'Keith Neate'.

Mr Keith Neate
Director
Aurizon Operations Limited

CORPORATIONS ACT 2001 (CTH)

NOTICE BY

**BAOSTEEL RESOURCES AUSTRALIA PTY LTD ABN 66 154 815 362 (BAOSTEEL)
AND
AURIZON OPERATIONS LIMITED ABN 47 564 947 264 (AURIZON)**

UNDER SECTION 630(4)

To: ASX Limited

And to: Aquila Resources Limited

In accordance with section 630(4) of the *Corporations Act 2001* (Cth) Baosteel and Aurizon state that the defeating conditions contained in section 12.7(b) and section 12.7(c) of their Bidders' Statement dated 14 May 2014, have been fulfilled. The offers set out in the Bidders' Statement are now free of those defeating conditions.

DATE 29 May 2014



Mr Chao Ji
Director
Baosteel Resources Australia Pty Limited



Mr Keith Neate
Director
Aurizon Operations Limited