

MEDIA RELEASE

Date Friday, 18 December 2009

Asciano selected as preferred rail operator for Xstrata Copper's Ernest Henry Mining magnetite transport

Asciano advised today that it has been selected as the preferred rail operator to transport magnetite from Xstrata Copper's Ernest Henry Mining (EHM) operation in Queensland.

Asciano's ports and bulk rail business has won a tender process that will see it enter into a take or pay contract with Xstrata Copper to haul a minimum of 1.2 million tonnes of magnetite commencing 1 February 2011 for 10 years.

The contract will require Asciano to invest in the order of \$80 million. This investment will include two narrow gauge diesel powered train sets and potentially the construction of a loading facility and associated rail infrastructure at Cloncurry in north west Queensland. The bulk rail business will utilise Pacific National's existing intermodal maintenance facility located in Townsville to service its rolling stock.

The contract will generate revenue of approximately \$400 million over the 10 year period .

Asciano Managing Director and CEO, "Mark Rowsthorn commented; this is a great opportunity for our ports and bulk rail business and demonstrates our ability to leverage our successful Queensland coal operations."

"To be selected in a competitive tender process as the preferred operator with a proposal that sees us achieve our benchmark return on capital, long term tenure and take or pay arrangements is a clear indication that our performance based model is important to customers and is aligned to their rail haulage requirements," Mr Rowsthorn said.

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Further information about Asciano can be found on our internet site: www.asciano.com

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