

# ASX Release

11 March 2004

## Update on Operations at Cockatoo Island

Following completion of an extensive review of operations at Cockatoo Island, the boards of Henry Walker Eltin Group Limited and Portman Limited have given approval for continuation of the project. The construction of the sea wall will re-commence immediately, with a target return to full mining production in August 2004.

The review of operations included the areas of resource definition, geotechnical stability, capital expenditure, operating costs and pit dewatering. The results of the resource definition review were better than originally believed, and the geotechnical review of the seawall was also positive. Water inflows from the test bores are significantly lower than forecast, enabling a much simpler dewatering model. Deep dewatering bores will not be required with open sump pumps able to easily handle the revised inflows of less than half original volumes. The dewatering system is efficiently controlling all the current water inflows to the pit.

Whilst export was originally scaled back to guard against failure to meet client expectations for ore, fortnightly shipments of high-grade iron ore are planned to resume in August 2004 following completion of the stage 2 seawall construction. Further up-scaling of operations will depend upon demand. The operation is currently exporting one shipment per month.

Henry Walker Eltin Chief Executive Officer and Managing Director Bruce James said "The operations review has shown that the risks on Cockatoo Island can be managed, and we expect the project to return strong cash flows and a positive earnings contribution upon completion of construction of the stage 2 seawall early in the 2005 financial year.

"Additional geotechnical test work conducted in conjunction with the dewatering study has also identified the original pit design parameters to be conservative, enabling the excavation of additional ore tonnages from within the seawall enclosure."

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