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ASX Market Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

9 July 2014

BY ELECTRONIC LODGEMENT

Joint bid for Aquila – Bidders achieve 90% relevant interest and intend to proceed to compulsory acquisition

Please find attached announcement for immediate release to the market.

Yours faithfully



Dominic D Smith
VP & Company Secretary



ASX Release
9 July 2014

**TAKEOVER OFFER BY BAOSTEEL AND AURIZON – BIDDERS ACHIEVE 90%
RELEVANT INTEREST AND INTEND TO PROCEED TO COMPULSORY ACQUISITION**

We refer to the joint takeover 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 in Aquila Resources Limited (ABN 81 092 002 769) (**Aquila**) that they do not already own for A\$3.40 per share (the **Offer**), as set out in their bidders' statement (as supplemented) dated 14 May 2014 (**Bidders' Statement**).

The Bidders are pleased to announce that as of today, their relevant interest in Aquila Shares has increased to approximately 90.05%. As the Bidders now have a relevant interest in greater than 90% of Aquila Shares, they (and their related bodies corporate) intend to exercise their rights under the *Corporations Act 2001* (Cth) to compulsorily acquire the remaining Aquila Shares and Aquila Convertible Securities (as foreshadowed in section 9.2 of Baosteel and Aurizon's Bidders' Statement) in due course. Compulsory acquisition notices specifying the rights of Aquila shareholders will be issued in due course. The Bidders expect that Aquila will be de-listed from the Australian Securities Exchange in due course after the commencement of compulsory acquisition.

The Bidders recommend that Aquila shareholders **ACCEPT** the Offer as soon as possible. Shareholders will be paid (by their cheques being dispatched) within 5 business days of their valid acceptance being processed.

In response to achieving a relevant interest in more than 90% of Aquila Shares, Baosteel Resources International Company Ltd Chairman Mr Zhihao Dai said "we are delighted with the overwhelming support we have received from Aquila shareholders for the Offer and look forward to working with Aurizon, State and Federal Governments, and Aquila's joint venture partners to progress the development of the West Pilbara Iron Ore Project and the Eagle Downs Hard Coking Coal Project, for the benefit of both Australia and China."

Mr Lance Hockridge, the Managing Director & CEO of Aurizon Holdings Limited, said "the Bidders' successful acquisition of Aquila is an unprecedented opportunity for Aurizon to participate in the development of new, world-class rail and port infrastructure for a range of potential customers. The Baosteel – Aurizon co-investment model has the scale, strength and infrastructure development expertise to unlock under-developed Australian resource projects and deliver new investment, jobs and regional wealth, and royalty streams for government."

The Offer is scheduled to close at 7.00pm (Sydney time) on 25 July 2014.

Ms Yiming Wu

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