



SHEEP HILL PORT PROJECT PROJECT UPDATE 4

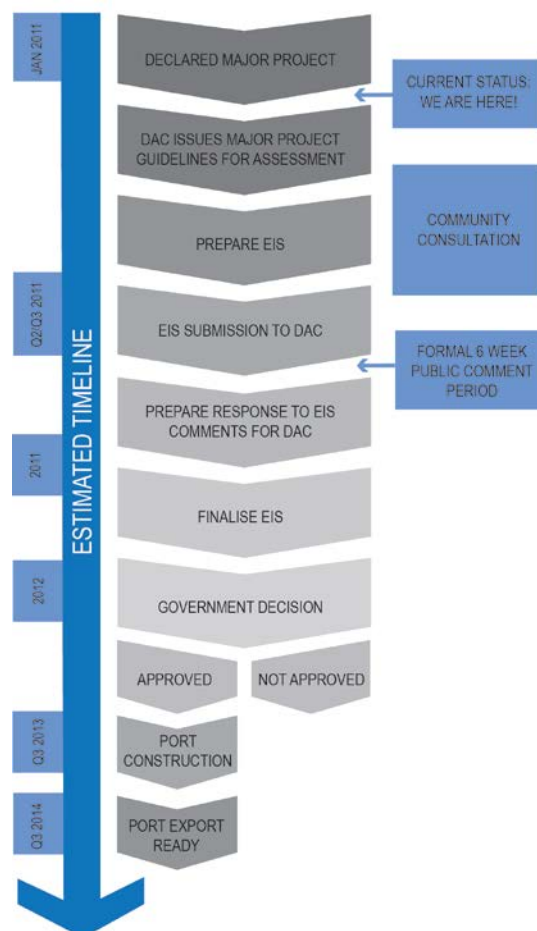
MARCH 2011

SHEEP HILL PORT DECLARED MAJOR PROJECT

Centrex submitted a Sheep Hill Port Project referral to the Department of Planning and Local Government (DPLG) in December 2010. On 6 January 2011, the proposed Sheep Hill Port Project was declared a Major Project by the Minister for Urban Development and Planning. The Development Assessment Commission (DAC) will be the lead agency for the process of Project development approval assessment.

DEVELOPMENT APPROVAL PROCESS

The Project's next steps include community consultation and the submission of an Environmental Impact Statement (EIS) (or equivalent).



COMMUNITY CONSULTATION SESSIONS YOUR PARTICIPATION AND FEEDBACK IS VALUABLE!

Community information sessions are planned for April 2011 in Tumbly Bay and Port Neill.

An open house forum will be provided for any interested community members to attend. Information about the Project will be provided and Centrex and support staff will be present to answer questions.

Further details on venue and time will be available from Tumbly Bay District Council office, newspapers and the Centrex Website closer to the information session dates.

www.centrexmetals.com.au

We value your input and feedback regarding the Project, anytime.

If you have any comments or feedback, please send written responses to "Sheep Hill Port Project" either by mail or online to:

UNIT 1102, 147 PIRIE ST, ADELAIDE SA 5000
reception@centrexmetals.com.au

NAME THE PORT AND WIN \$3,000!

CENTREX INVITES PRIMARY SCHOOL STUDENTS IN THE TUMBY BAY AND PORT NEILL AREAS TO ENTER OUR COMPETITION TO NAME THE PROPOSED DEEPWATER PORT. NOMINATE A PORT NAME AND BE ELIGIBLE IF SELECTED AS WINNER, FOR A MAJOR PRIZE OF \$3,000 FOR THEIR SCHOOL, AND A CERTIFICATE OF RECOGNITION. THE COMPETITION LODGEMENT FORM CAN BE DOWNLOADED AT THE CENTREX WEBSITE

www.centrexmetals.com.au/competition/comp_entry_form.html

MEET THE TEAM MR JIM WHITE CEO



Jim White is a metallurgist who before starting with Centrex in August 2010, has spent his career with BHP and OneSteel, with a focus on steelmaking, exploration and major project development. His involvement in the successful OneSteel Project Magnet iron ore export development and in government and community liaison is particularly relevant to Centrex's plans for the Eyre Peninsula.

PROPOSED PORT DEVELOPMENT STAGES

The Sheep Hill Port site comprises 260 acres of land located approximately 21 km north east of Tumbly Bay. Centrex proposes to develop a multi-user deep water bulk commodities port facility at the site. The site was chosen due to the close proximity of deep water (20 m) capable of loading Cape sized vessels. The distance from the shoreline to this depth is only 500 m. This would allow loading of vessels of > 160,000 tonnes capacity with bulk commodities. Currently, South Australia has no ports capable of loading such volumes.

The proposed port is estimated to be a \$150-200 million project with an expected construction completion date of 2014.

The Port will be developed in four stages: **Stage 1 is the subject of the current Major Project.** Stage 1 will include the following infrastructure:

- The Port, including jetty and storage areas for hematite, magnetite and grain;
- Redevelopment of ungazetted Swaffers Road from Lincoln Highway:
 - Haul truck and infrastructure access corridor.
 - Swaffers Road is located north of the Port
- Light vehicle access via Lipson Cove Road to the south of the Port.

It is proposed Stage 2 of the Project will involve magnetite ore export and Stages 3 and 4 the expansion of magnetite storage sheds as export needs increase. Each additional stage will be the subject of separate development applications and approvals processes as the Project progresses.



PROPOSED PORT SITE, AND SWAFFERS ROAD

TECHNICAL STUDIES UPDATE

The last Sheep Hill Marine Port Project update was issued in September 2009. Past Project updates can be downloaded from the Centrex Website www.centrexmetals.com.au/communityrelations/comm_factsheets.html

Technical Studies undertaken since the last project update include;

- Additional Marine Ecology Survey
- Marine Geophysical Study
- Wind and Wave Monitoring
- Surface Water Study
- Noise Assessment
- Air Quality Assessment
- Coastal Processes Assessment



THE PROPOSED PORT SITE

MARINE GEOPHYSICAL STUDY

In September 2010, marine geophysical work was undertaken in conjunction with Centrex's consultants, Golder Associates. The study provides details about the sea floor profiles to confirm jetty design. The study included mapping of the vertical and lateral distribution of marine sediments and the depth to the top of bedrock along the proposed jetty and berth.

A sub-bottom profiler system was used to determine the thickness of fine to medium-grained, loose sediment on the sea floor. A low frequency acoustic system was used to identify deeper subsurface conditions of the sea floor.

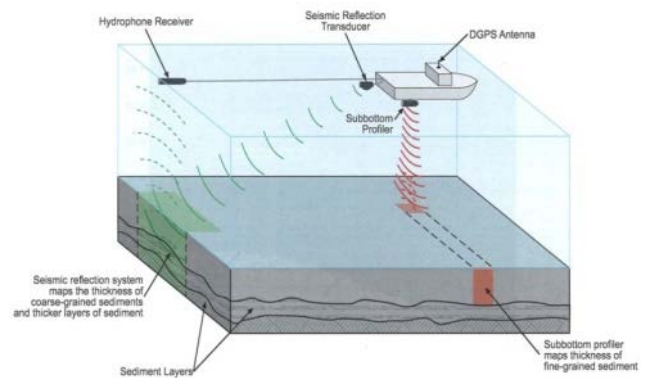


DIAGRAM OF SEISMIC DATA COLLECTION METHOD

The loose sediment thickness along the proposed jetty ranged between 0 -1 m. No irregularities in the top of bedrock were observed. This is considered ideal for jetty and berth construction.

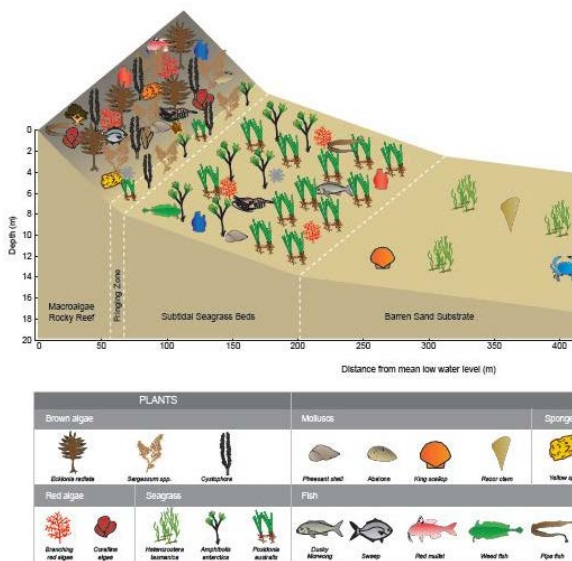


SEISMIC STUDY VESSEL LEAVING TUMBY BAY

2010 MARINE ECOLOGY SURVEY

During Spring 2008 preliminary marine ecology surveys were undertaken at the proposed port site. These field investigations did not identify endangered or significant habitat in the Project area. In July 2010 an additional marine ecological survey was undertaken based on preliminary jetty design to facilitate a more detailed survey corridor.

The 2010 survey confirmed 2008 observations: overall subtidal ecosystems occurring within the proposed jetty footprint are typical of rocky reef and seagrass habitats found throughout Australian temperate marine environments. No sites of marine ecological, scientific, or economic significance were identified within close proximity to the Project area.



MARINE HABITATS AT THE PROPOSED PORT SITE

WAVE AND CURRENT STUDY 2009 - 2010

Between October 2009 and March 2010 a site specific summer wave and current study was undertaken at Sheep Hill. Temperature, waves, currents, sea level variation and salinity were measured for the summer months. During August – September 2010 further work was undertaken to collect additional seasonal data.

The study has identified that during the summer months, the predominant onshore south-easterlies result in wind-driven, short period waves. Alternatively, during winter the winds are predominantly offshore and a more active open-ocean wave increases the occurrence of long period swell penetration in the Gulf. The mean current speeds from the winter period to the summer period were almost identical.

Centrex is currently reviewing port mitigation and monitoring measures with respect to the marine environment. Further detail will be provided in the proposed EIS planned for submission to Development Assessment Commission in Q2/Q3, including a 6 week public comment period.

MEET THE TEAM MR. STEVE BROWN, MS ALISON EVANS



Steve Brown is an electrical engineer with 28 years experience in the iron ore, steel, water and construction industries. He started at Centrex Metals as General Manager Engineering in January 2011. Previous roles include Manager Engineering for all capital works at Onesteel Whyalla and Client Construction Manager for Project Magnet. Alison Evans is Centrex's Company Secretary and Legal Counsel. She started with the company in February 2011 and has held in-house roles at AGL and GTL Energy Ltd.

WE APPRECIATE YOUR FEEDBACK

If you have any comments or feedback regarding the project please send written responses to "Sheep Hill Port Project" either by mail or email to:

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