

30 June 2014

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BY ELECTRONIC LODGEMENT

JOINT OFF-MARKET BID FOR AQUILA RESOURCES LIMITED – NOTICE OF CHANGE OF INTERESTS UNDER INSTITUTIONAL ACCEPTANCE FACILITY

We act for Baosteel Resources Australia Pty Ltd ACN 154 815 362 (**Baosteel**).

We refer to the joint off-market takeover bid by Baosteel and Aurizon Operations Limited (**Aurizon**) (together, the **Bidders**) to acquire 100% of the ordinary shares in Aquila Resources Limited (**Aquila**) that they do not already own (the **Offer**), and the institutional acceptance facility established by the Bidders on the terms set out in the First Supplementary Bidders' Statement dated 5 June 2014 (the **Institutional Acceptance Facility**).

Since Baosteel's Notice of change of interests under institutional acceptance facility dated 26 June 2014, the aggregate of:

- (a) the number of Aquila shares in respect of which the Bidders have received acceptance instructions under the Institutional Acceptance Facility as at 7.30pm (Sydney time) yesterday (in the form of acceptance forms and/or directions to custodians to accept the Offer); and
- (b) the number of Aquila shares in which Baosteel has a relevant interest,

has changed from 24.23% to 25.49% of ordinary Aquila shares on issue.

The following table is a breakdown of the aggregate amount between those two categories:

	Previous Notice		Change Since Previous Notice		Aggregate	
	Number of Aquila shares	Percentage of Aquila shares	Number of Aquila shares	Percentage of Aquila shares	Number of Aquila shares	Percentage of Aquila shares
Shares subject to IAF	17,688,546	4.30%	5,136,702	1.25%	22,825,248	5.54%
Relevant interest	82,090,050	19.93%	45,768	0.01%	82,135,818	19.95%
Total	99,778,596	24.23%	5,182,470	1.26%	104,961,066	25.49%

In accordance with the terms of the Institutional Acceptance Facility the Facility Operator (under the Institutional Acceptance Facility), holds the acceptance instructions as acceptance facility collection agent, and must deliver:

- (a) the Acceptance Forms held in accordance with the instructions on them; and
- (b) the Custodian Directions to the relevant custodians (directing them to accept the Offer),

immediately after the Bidders give the Facility Operator written notice that they declare the Offer free from all defeating conditions that have not been fulfilled or waived, or will declare the Offer free from all defeating conditions that have not been fulfilled or waived no later than the time that all acceptance instructions lodged with the Facility Operator are processed.

Acceptance instructions may be withdrawn any time before the Facility Operator receives such notice. They do not, at this stage, constitute formal acceptances of the Offer and accordingly the Aquila shares in which Baosteel has a relevant interest (as set out in the table above) do not include the Aquila shares which are the subject of the Institutional Acceptance Facility.

Yours faithfully
MINTER ELLISON



Adam Handley
Partner

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