

ASX ANNOUNCEMENT

ASX CODE: MMX

13 May 2009

MURCHISON WELCOMES FEDERAL GOVERNMENT SUPPORT FOR OAKAJEE

Murchison Metals Limited (Murchison) welcomes the Federal Government's commitment to provide \$339 million in funding for common use infrastructure at the Oakajee deepwater port project.

The Oakajee port and associated rail infrastructure is being developed by Oakajee Port & Rail (OPR) which is jointly owned by Murchison and Mitsubishi Development Pty Ltd.

The Federal Government's commitment matches an existing commitment provided by the State Government of Western Australia, taking the total funding commitment by the State and Federal Governments to \$678 million.

"This commitment represents a powerful vote of confidence in the Oakajee project and underlines the importance of this major infrastructure development to Australia's future economic growth," said Murchison Executive Chairman Paul Kopejtka.

The Federal Government's funding commitment follows the recent announcement by Gindalbie Metals Ltd ("Gindalbie") that Gindalbie and its major shareholder Ansteel, China's second biggest steelmaker, have undertaken to support the development of the Oakajee port and use it when it becomes available to export production from their Karara Iron Ore Project.

A media statement released by OPR is attached.

- ends -

For further information, please contact:

Paul Kopejtka
Executive Chairman
Murchison Metals Ltd
+61 8 9492 2600

John McGlue
Director
FD Third Person
+61 8 9386 1233
+61 417 926 915

Wednesday 13 May 2009

OPR Welcomes Government Funding

Oakajee Port and Rail (OPR) welcomes the commitment by the Federal Government to allocate \$339 million over the next four years towards the development of common user facilities at the deepwater port at Oakajee.

This investment decision, announced yesterday as part of the 2009-10 Federal Budget, was in response to a request for support from Western Australian Premier Colin Barnett.

Mr Barnett announced late last year that the State Government would become a direct participant in the port through funding and ownership of common use infrastructure and sought a commitment from the Federal Government to share the development cost.

Mr Barnett has pointed to Oakajee as potentially the single-most important project for WA's economic development over the next 50 years.

OPR Chief Executive Officer Christopher Eves said the combined Federal and State Government's commitment gave the Oakajee project unprecedented support for a major Australian infrastructure development.

"Direct financial support for Oakajee from both the Federal and State Governments provides a massive boost for the project," said Mr Eves.

"It indicates the widespread support for this project in Australia and demonstrates the highest levels of commitment to see the port and rail infrastructure developed as quickly as possible.

"OPR is very appreciative of the Federal Government's commitment and the ongoing leadership of Premier Colin Barnett Premier to secure the funding.

"We wholeheartedly agree with both levels of government that this is a project of strategic and national importance."

The Federal Government's support follows the March 20 signing of a State Development Agreement between the WA Government and OPR that underpins the next stage of the project's development.



For more information contact **Kim Pervan**
Manager Community and Public Relations
t +61 8 9486 0777 m +61 (0)407 083 832
or Visit www.opandr.com



MEDIASTATEMENT

Since the State Development Agreement was executed, OPR has opened commercial, operational and technical discussions with a wide range of Oakajee stakeholders, including mid-west miners and potential Chinese participants.

A project Bankable Feasibility Study (BFS) is scheduled for completion in March 2010. This is expected to be followed by financial close in late 2010, at which stage Federal and State Government funding will be required.

Murchison Metals Limited and Mitsubishi Development Pty Ltd, a subsidiary of Mitsubishi Corporation of Japan, each hold a 50% economic interest in OPR.

-ends-



For more information contact **Kim Pervan**
Manager Community and Public Relations
t +61 8 9486 0777 m +61 (0)407 083 832
or Visit www.opandr.com

