



HANCOCK PROSPECTING PTY LTD



March 30, 2012

Acquisition of a 30% equity interest in the Roy Hill Iron Ore Project

Hancock Prospecting Pty Ltd ("HPPL") and a Consortium comprising POSCO ("POSCO"), Marubeni Corporation ("Marubeni") and STX Corporation ("STX") (the "Consortium") are pleased to jointly announce that they have entered into agreements for the Consortium to acquire a 30% equity interest in Roy Hill Holdings ("RHH") (the "Transaction"), the holding company of the Roy Hill Iron Ore Project in Australia ("Roy Hill" or the "Project").

As part of the Transaction, the Consortium has acquired a 25% equity interest in the Project in exchange for funding A\$3.2 billion of equity into RHH to meet ongoing project development costs. Of this amount, A\$750 million of equity will be subscribed into RHH by the Consortium following completion of the Transaction, together with A\$750 million of equity to be funded into RHH by HPPL. The residual A\$2.4 billion of equity shall be subscribed by the Consortium into RHH once project debt financing commitments have been secured. The portion of total consideration attributable to POSCO, Marubeni and STX is A\$1.5bn, A\$1.5bn and A\$0.2bn respectively.

In addition, POSCO and STX has acquired a 5% equity interest in RHH (3.75% and 1.25% respectively) pursuant to the conversion of an existing A\$332m perpetual note, entered into with HPPL in January 2010.

Following completion of the Transaction, the Consortium will hold an aggregate 30% equity interest in RHH, of which POSCO, Marubeni and STX will hold an attributable equity interest of 15%, 12.5% and 2.5% respectively, with HPPL retaining an approximate 70% equity interest.

The Consortium has also secured their proportionate share of Project production, representing a combined 16.5Mtpa of iron ore at full production.

All necessary internal and regulatory approvals, including approval by the Foreign Investment Review Board (FIRB) have been received and the Transaction is expected to close within 14 days.

Mrs. Georgina Hope Rinehart, Chairman, HPPL said,

"We are delighted that POSCO and STX as our initial Roy Hill investors have increased their shareholding and we welcome Marubeni into what is the most advanced integrated independent iron ore project in Australia. We are also pleased to finalise this strategic alliance with companies whose countries need our iron ore and with the mutual determination to make this project a success. Having strong partners with international experience in finance, engineering, construction, marketing and logistics will provide support for Roy Hill and assist in securing debt financing. The confidence and commitment which such major international companies have placed in Roy Hill, at a time of global economic uncertainty, speaks volumes for the robustness and integrity of this project, which will remain as the only independent world class Pilbara iron ore project with West Australian majority ownership."

A spokesperson for the Consortium said,

"The Consortium is pleased to finalise its investment into Roy Hill following two years of co-operation commencing with POSCO and STX's initial investment. STX first came to Australia as guests of Hancock Prospecting Pty Ltd. and Marubeni have a very special history with Lang Hancock and his daughter, Georgina Rinehart. Together with HPPL we are progressing the project through to construction. This is a milestone investment for each of POSCO, Marubeni and STX and we have all forged very good relationships with Mrs Rinehart. Roy Hill is one of the highest quality fully integrated iron ore projects globally and our combined investment secures a long-term supply of low cost premium iron ore from one of the pre-eminent mining regions in the world."

HPPL and the Consortium will formally mark the completion of the Transaction in an official signing ceremony to be held shortly. Further information on the Transaction and Project will be provided at this time.

About the Roy Hill Project

The Roy Hill Project is developing a world class, low cost, fully integrated open pit iron ore mine, rail and port facility. The mine is located along the eastern end of the Chichester Range in the Pilbara region of West Australia and has a JORC compliant resource of 2,323Mt at 55.9% Fe and reserve of 851Mt at 59.3% Fe. Roy Hill is expected to commence operations in 2014 and at full production will deliver 55 Mtpa (wet) of premium quality lumps and fines iron ore to the global seaborne iron ore market for over 28 years. The Project includes a dedicated 342km railway that will connect the mine to port facilities within the inner harbour at Port Hedland.

About POSCO

POSCO is the largest fully integrated steel producer in Korea and one of the premier steel producers in the world. In the year ending December 31, 2010, POSCO produced approximately 34Mt of crude steel. POSCO has established itself as a global leader in steel making technologies and is committed to securing the stable supply of raw materials, including iron ore, for its steel production activities. POSCO is listed on the Korean Stock Exchange with a market capitalisation is c.US\$29 billion.

About Marubeni Corporation

Marubeni is one of the largest general trading companies in Japan, and is involved in the handling of products and provision of services in a broad range of sectors primarily related to food, textiles, materials, pulp and paper, chemicals, energy, metals and mineral resources, transportation machinery, and offshore trading. Its activities also extend to power projects and infrastructure, plants and industrial machinery, real estate development and construction, and finance, logistics and information industry. Marubeni is listed on the Tokyo stock exchange with a market capitalisation of c.US\$13 billion.

About STX Corporation

STX Corporation is the holding company of the Korean conglomerate, STX Group, which operates four divisions: Shipbuilding, Trading, Plant Construction and Energy. Its Shipbuilding division is the world's fourth largest shipbuilding group and the largest in Europe; its Trading group largely deals with energy and raw materials such as oil, coal, steel and machinery for the domestic and international market. STX Corporation and its affiliates are listed on the Korean and Singapore stock exchanges.

Rothschild is financial adviser and Freehills is legal adviser to the Consortium. Latham & Watkins is legal adviser to HPPL.

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