

MEDIA RELEASE

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CITIC PACIFIC MINING UNDERWRITES NEW GAS DEVELOPMENT

CITIC Pacific has signed a new contract for the supply of gas to its Sino Iron project located at Cape Preston near Karratha, Western Australia.

Under the contract, gas will be supplied over seven years commencing in the second half of 2011 from the offshore Reindeer gas field being developed by Apache and their joint venture partner Santos.

The contract marks another significant milestone for the Sino Iron project - the most advanced magnetite development in Western Australia and will underpin the development of a new natural gas field and infrastructure.

CITIC Pacific Mining's Chief Executive Barry Fitzgerald said commercial gas supplies were at critical levels in Western Australia and the contract would result in increased supply into the domestic market.

"The new gas supply will be used to feed our project's 450 Megawatt power station, which is currently under construction", said Mr Fitzgerald. "It will be the first combined-cycle power station in the Pilbara, with about 40 per cent less emissions than an open cycle plant would have."

"Earthworks for the power station and processing plant have been completed and the first of the gas turbines and other major equipment have been manufactured and are ready for shipping to the site," Mr Fitzgerald said.

CITIC Pacific Mining recently welcomed the passing of amendments to the State Agreement Act which governs the project. The amendments enable CITIC Pacific Mining to produce and export magnetite concentrate as well as pellets.

The Sino Iron project will export about 27 million tonnes of magnetite concentrate and pellet each year with first production due to commence in mid-2010. CITIC Pacific Mining currently employs about 500 people in Perth, Cape Preston and China.

A copy of the full release is available at www.citicpacific.com

About CITIC Pacific Mining

CITIC Pacific Mining is an Australian subsidiary of CITIC Pacific; a diversified Hong Kong based company. The Sino Iron project is the largest planned magnetite development in Australia, and the first to include large scale downstream processing. For more information, visit www.citicpacificmining.com

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