

PERDAMAN AND WESTNET SIGN RAIL DEAL

RAILWAY access has been secured for Perdaman Chemicals and Fertilisers' urea plant following the signing of a heads of agreement (HoA) on Tuesday with WestNet Rail.

The deal aims to provide rail track access for the project and growth and revenue opportunities for WestNet Rail.

WestNet Rail chief executive Paul Larsen described the HoA as a win for both companies.

The Perdaman plant is

intended to produce two million tonnes of urea a year for export through Bunbury using the WestNet Rail network.

WestNet Rail began negotiations with Perdaman in mid-2009. "Significant progress has been made on the commercial terms of access," Mr Larsen said.

This early commitment to work together towards providing capacity was required to enable Perdaman to engage

with potential financiers and to invite the rail operators to tender for Perdaman's rail transport operations.

Perdaman boss Vikas Rambal said the agreement provided the framework for increased benefits for both parties. "This agreement forms a significant step forward in terms of us having an important part of our project secured in the form of our track access," Mr Rambal said.