



Sphere Investments Limited
ABN 66 009 134 847
680 Murray Street
West Perth 6005
Western Australia
Telephone: + 61 8 9322 5222
Facsimile: + 61 8 9322 5444
e-mail: info@sphereinvestments.com.au

ASX ANNOUNCEMENT

RELEASE DATE: 31 July 2007

TO: Manager Companies
Australian Securities Exchange
Company Announcements Office

CONTACT: Alexander Burns (08 9322 5222)

RE: SABIC and Qatar Steel to pay US\$375 Million for a
49.9% interest in Mauritanian iron ore project

PAGES: 1 of 1

Dear Sirs

Sphere Investments Limited (Sphere) is pleased to advise that Saudi Arabia Basic Industries Corporation (SABIC) and Qatar Steel have agreed to acquire 49.9% of the Guelb el Aouj Iron Ore Project (the Project) from Sphere and its joint venture partner SNIM, for US\$375 million. SNIM, the Mauritanian national iron ore company, and Sphere will retain 50.1% of the Project.

Under the agreement, SABIC and Qatar Steel will contribute the first US\$500 million in equity finance, including US\$250 million on behalf of Sphere and SNIM, to support the project development cost (estimated to be US\$1.5 billion). An additional US\$125 million will be paid to a joint venture company to be owned equally by Sphere and SNIM. These additional funds, if required, will also be applied for the benefit of the Project.

The transaction is subject to formal Board approvals by all parties, Sphere shareholder approval and final documentation, which is expected by October 2007.

Mr Alexander Burns, Managing Director of Sphere Investments commented today; "The Gulf region is undergoing unprecedented economic growth, with major infrastructure and construction projects underway and planned. The Project will supply our Gulf partners with an abundant high quality iron ore pellet supply from Mauritania, assisting SABIC and Qatar Steel to meet their respective steel production expansion plans."

The Project is planned to produce 7Mt/a of DR iron ore pellets for over 30 years from one deposit (Guelb el Aouj East) with a total of five deposits in the joint venture area. The parties plan to develop additional DR pellet plants based on the resources within the joint venture area.

Yours sincerely,
Sphere Investments Limited

Alexander Burns
Managing Director