
Award of BHP work tipped to lift NRW

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The west reported that WA contractor NRW Holdings is expected to emerge from a trading halt with the announcement of a major contract at BHP Billiton's USD 6.8 billion RGP5 iron ore expansion in the Pilbara.

NRW declined to comment on the progress of negotiations over a significant contract recently. But market speculators are expecting USD 200 million to USD 250 million worth of work to be awarded to a consortium of three contractors NRW.

A USD 500 million contract for rail, earthworks and fibre-optic cable at the project was awarded to a Mr Macmahon Holdings-Leighton JV last week. But controversy surrounding the leaking of information about the work on an internet share trading forum is understood to have caused delays in the final stages of negotiations for the second contract.

Mr Macmahon defended its disclosure to the Australian Securities Exchange this week, after a document with detailed information about the contract was posted by a user of HotCopper.com before it was formally signed or announced.

NRW shares reached a record low of 13.5¢ in December, shortly after Fortescue Metals Group delayed an USD 87 million rail contract at its Christmas Creek project. But they have since recovered, with the company calling a trading halt on April 6 in order to finalize the contract negotiations, with its shares having traded up to 80¢.

Unlisted company Ausco Modular has won a 1200 man accommodation manufacturing contract for the RGP5 project, due to start next month.

RGP5 is expected to boost BHP's production capability in the Pilbara to 200 million tonnes a year by 2011.

(Sourced from the West)

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