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Takeover target Atlas sees no value in its port play



by [Brad Thompson](#)

Takeover target Atlas Iron has conceded that it sees no value in its stake in North West Infrastructure, the entity previously touted as having priority [development rights over berths and associated channel capacity at Port Hedland](#).

Atlas moved to provide more detail on the port issue on Thursday under [pressure from Andrew Forrest's Fortescue Metals Group](#), which said it wanted more clarity on NWI and any development rights.

It is the latest twist in the war over Atlas which sees Mr Forrest pitted against Gina Rinehart after original takeover suitor Chris Ellison's Mineral Resources waved the white flag.

Atlas said it advised the market in its 2015 prospectus that the berth allocation at South West Creek in the inner harbour was "not yet the subject of a firm lease agreement with the Pilbara Ports Authority (PPA), with progression of lease negotiations interrelated to demonstrating a product delivery solution".

It also pointed to an independent valuation report released in 2016 which attributed no value to the interest in NWI in addition to noting that the company's balance sheet also attributed no value to the interest in NWI.

On June 14, Atlas said it was considering its position after receiving advice from the West Australian government "implying that NWI does not have a priority right" to develop berths at South West Creek.

A week earlier a UBS research note had suggested NWI and port capacity were a key factor in Fortescue grabbing a 19.9 per cent stake in Atlas.

The government and the PPA maintain the NWI proposal has been considered defunct for several years.

The government reiterated on Thursday that it was committed to maintaining access for junior iron ore miners at Port Hedland and that the undeveloped berths at South West Creek were set aside for junior miners.

The Atlas board has backed a \$390 million all-cash takeover offer from Hancock subsidiary Redstone. Fortescue hasn't declared its intentions in regard to the offer and its wholly-owned subsidiary NCZ Investments has referred allegations about the Redstone bidder's statement to the Takeovers Panel.

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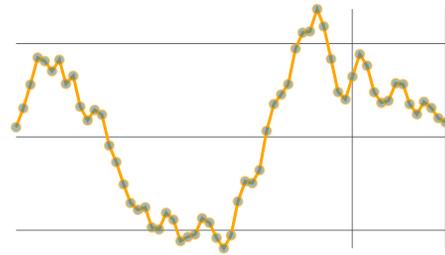
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