

**ASX
ANNOUNCEMENT**

30 July 2008

Royal Resources Limited
ABN 34 108 102 432

For further information
regarding Royal Resources
Limited contact:

Marcus Flis
Chief Executive Officer

or

Brian Richardson
Director

Phone: + 61 8 9322 8542
Fax: + 61 8 9322 6577

Website:
www.royalresources.com.au

Email:
info@royalresources.com.au

Registered Office:
Suite 2, Level 3, IBM Building
1060 Hay Street, West Perth
Western Australia 6005

Po Box 7363, Cloisters Square
Perth Western Australia 6850



OAKAJEE PORT TENDERER ANNOUNCED

Royal Resources Limited (ASX:ROY) notes the announcement of the Government of Western Australia's selection of the preferred tender for the construction of the proposed Oakajee Port north of Geraldton.

The Directors of Royal note that this is an important step to the full development of the company's Mid West iron assets. In particular, our Warriedar premium grade iron ore project, a Joint Venture between Royal (40%) and Gindalbie Metals Limited (60%), will seek to take advantage of this development.

Please refer to the attached announcement by the Geraldton Iron Ore Alliance, a body representing Royal Resources Limited and other iron ore companies operating in the Mid West.



Attention: News Editor/Chief of Staff

MEDIA RELEASE

Tuesday, 29 July 2008

Alliance welcomes State Government's Oakajee decision but says timing is critical

The Geraldton Iron Ore Alliance has welcomed the Government's announcement to appoint Oakajee Port and Rail as the preferred tenderer to negotiate the construction of the new deep-water Oakajee Port Project.

Independent Chairman of the Geraldton Iron Ore Alliance Clive Brown, said the timely development of a port at Oakajee will not only help to cement the successful future of the iron ore industry, but also had the capacity to attract other industries to the region.

"The development of key infrastructure in the Mid West, such as Oakajee Port, is critical to the development of the region," Mr Brown said.

"However, the allocation of the right to negotiate a port development agreement with the Government is only the first step in a process that involves a lot of work and consultation that needs to be done before construction gets underway.

"Timing is important. Delays in constructing the port could lead to delays in the development of some of the Alliance members' projects."

The State Government has previously indicated that construction of the port could begin by late 2009, subject to relevant approvals and environmental processes, and could be operational by 2012. Industry seeks to achieve this outcome as early as possible.

Work currently being undertaken by Alliance members in the northern corridor could result in more than 45 million tonnes of iron ore being exported each year from Oakajee Port alone.

Mr Brown said there were strong economic, social and environmental grounds for the State to support the development of the Mid West region.

A report by Economic Consulting Services undertaken last year estimated that the development of the Mid West iron ore industry alone has the potential to provide more than 1,300 jobs during the construction stage and over 4,000 jobs during the suggested operational stage of 25 years.

The report also estimated that construction expenditure of \$5.5 billion will generate a further \$13 billion of expenditure elsewhere in the State.

"The Mid West iron ore industry has the capacity to play a key role in developing regional Western Australia and with appropriate support that objective can be turned into reality within a very short space of time," Mr Brown said.

He also acknowledged the development of the State's regions had been a key public policy goal of successive governments over many years.

“The further development of the Mid West provides a great opportunity for it to be the most significant regional centre in Western Australia,” Mr Brown said.

“The city of Geraldton and the Mid West towns are permanent communities with a mixed economic base and sound community infrastructure.

“It’s critical that the community and stakeholders also recognise the importance of the other challenges required to develop the iron ore industry including water needs, infrastructure and port commitments.”

Media contact:

Warrick Hazeldine
Purple Communications
Tel: 08 9485 1254
Mob: 0417 944 616

Amanda Reid
Purple Communications
Tel: 08 9485 1254
Mob: 0424 839 062

About the Alliance:

The Geraldton Iron Ore Alliance (Alliance) has a membership of eight iron ore mining companies which are at various stages of exploration and development of mines in the Mid West. These companies are:

- Mount Gibson Iron Limited (ASX: MGX)
- Midwest Corporation Limited (ASX: MIS)
- Crosslands Resources Ltd (ASX: MMX)
- Gindalbie Metals Ltd (ASX: GBG)
- Golden West Resources Limited (ASX: GWR)
- Royal Resources Limited (ASX: ROY)
- Asia Iron Limited
- Atlas Iron Limited (ASX: AGO)

Further details of the companies and their projects is available on the Alliance’s website at www.gioa.com.au.