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PILBARA PRIMED FOR A PUNCH-UP

HE MIGHT have had a big night out on a Kalgoorlie pub crawl a few hours earlier but Andrew ``Twiggy'' Forrest came out fighting at Diggers & Dealers.

The controversial Fortescue Metals chief stood by his claims to be rapidly building a third force in the **Pilbara**, taking on what he described as the ``oligopoly'' on iron ore by BHP Billiton and Rio Tinto.

And despite industry scepticism, Forrest said Fortescue would stick to its ``demanding'' timetable to start shipping iron ore by 2007.

An estimated $1.95 billion of infrastructure development is still to be built before then, including an $800 million port, 225 km of railway costing $560 million and a mine handling facility costing $120 million.

``It is a pressure time line, but we are determined to create a major iron ore group,'' he said.

Forrest stressed that while Fortescue had been fighting in the National Competition Council to get access to ore railway lines run by BHP Billiton and Rio Tinto, the development of its Cloud Break deposit was independent of getting rail access.

``It is only when we talk about access to stranded ore bodies like Mindy Mindy that the issue of rail access arises,'' he said.

``We just want to throw some light on the issue of opening up the **Pilbara**. We think it is reasonable to have a level playing field.''

Arguing that BHP and Rio's iron ore operations in the **Pilbara** supported $50 billion in market capitalisation, he said it was only fair that competitors had access to rail lines.

Forrest also claimed Fortescue was placing orders for infrastructure, such as ship loaders, despite having no finalised agreement on the financing of the project infrastructure.

Talks were continuing with Chinese partners, infrastructure companies and others, including transport group Patrick, he said.

A variety of structures are being considered, including Fortescue funding infrastructure through debt, or allowing another group to have majority control of the infrastructure ``for a premium''.

Forrest also claimed that pre-tax and interest earnings from contract mined ore would reach $1 billion annually, which would easily support the $1.95 billion of spending.

``If you say $1.95 billion quickly enough you can convince yourself about that,'' he said.

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