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FRSM implement a Pre- Feasibility Study of Joint International SMART Materials Concept with Japanese and Australian Companies

The company leading a major steel industry project, FRSM Pty Limited (FRSM), has successfully obtained Expressions of Interests from Japanese and Australian companies to participate in its SMART Materials Concept.

The project will encourage collaboration between steelmakers and manufacturers to transform Australia's steel and parts manufacturing sector.

FRSM, a subsidiary of East West Line Parks Limited, has launched an intensive six month pre-feasibility study into the SMART Materials Concept with the Nomura Research Institute (NRI), a leading Japanese consulting firm.

"The SMART Materials Concept aims to revolutionise the process for the manufacture of steel and vehicle parts in Australia, so that steel and other related products can be exported from Australia to the expanding markets of Asia-Pacific region," FRSM Director Shane Condon said.

"So far we have received Expressions of Interest from four key companies across the steel, shipping and car parts manufacturing industries in Australia and Japan to participate in this exciting project."

The SMART Materials Concept is based on using steel from new highly efficient, high-tech iron and steel-making complexes so that the steel and other materials can be manufactured into high value manufactured products for export.

The potential for Australian parts manufacturers to compete in global markets is currently constrained by their access to primary manufacturing materials. Such materials are in many cases supplied by international steel suppliers who benefit from economies of scale and lower labour costs but still rely on Australia's raw materials - iron ore and coal.

Instead of shipping large volumes of raw materials to Asia, the SMART Materials Concept will kick-start specialised steel manufacturing locally in Australia so that cost effective materials are readily available for local parts manufacturers. This will dramatically improve the potential for local manufacturing of steel and related parts and capturing this added value in Australia.

“The pre-feasibility study will identify the potential for significant improvement in supply chain efficiencies to transform both steel production and downstream manufacturing, in particular vehicle parts manufacturing for supply to the Australian and Asia markets,” Nomura Research Institute General Manager Hiroyuki Inami said.

“Leveraging the primary materials of an Australian-based industrial steel complex and partnering with the best technology companies of Japan gives Australian companies the potential to escalate their global competitiveness.”

Australian parts manufacturers, including Diver Consolidated Industries - a Melbourne-based company with over 60 years’ experience specialising in motor vehicle parts manufacturing - have backed the initiative.

“By enabling companies like ours to gain access to more cost-efficient supplies of local steel products, the SMART Materials Concept will allow us to compete more effectively on a global scale by adding value to local primary resources and steel products,” Diver Consolidated Industries Chief Executive Officer Jim Griffin said.

“This could benefit not only our industry, but the entire country.”

Federation of Automotive Products Manufacturers (FAPM) Chief Executive Officer Richard Reilly said thousands of new jobs could be created.

“By opening up access to highly cost-efficient supply of steel, this SMART Materials Concept has great potential to radically transform the car parts manufacturing sector for the benefit of members of our Federation, potentially generating several thousand new jobs in the Australian manufacturing sector,” Mr Reilly said.

FRSM and NRI jointly began the pre-feasibility study of the SMART Materials Concept on 1 December 2011, with strong support and participation from related companies from Japan and Australia.

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For further information visit, www.ewlp.com.au

*FRSM Pty Limited (a wholly owned subsidiary of East West Line Parks Limited) is facilitating third party participation and investment in the SMART Materials Concept.