



Aquila Resources Limited
ABN 81 092 002 769

Level 2 Aquila Centre
1 Preston Street
Como WA 6152

PO Box 1038
South Perth WA 6951

Telephone: (61) 8 9423 0111
Facsimile: (61) 8 9423 0133
mail@aquilaresources.com.au
www.aquilaresources.com.au

19 February 2007

The Company Secretary
Red Hill Iron Limited
Level 2, 9 Havelock Street
West Perth WA 6005

Companies Announcements Office
Australian Stock Exchange Limited
4th Floor, 20 Bridge Street
SYDNEY NSW 2000

Dear Sirs

Please see attached Form 603 – Notice of Initial Substantial Holder.

Tony Poli
Executive Chairman

For further information regarding this announcement, please contact Tony Poli.

Telephone: (08) 9423 0111
Facsimile: (08) 9423 0133
Email address: mail@aquilaresources.com.au
Visit us at: www.aquilaresources.com.au

Form 603

Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme RED HILL IRON LIMITED

ACN/ARSN 114 553 392

1. Details of substantial holder (1)

Name Aquila Resources Limited and its associates

ACN/ARSN (if applicable) Refer item 6

The holder became a substantial holder on 15/02/2007

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting Power (6)
ORD	7,394,906	7,394,906	18.855%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Aquila Resources Limited	s608(1)(b) & (c) – power to control the voting and disposal rights of shares held by Aquila Steel Pty Ltd	ORD: 5,882,353
Aquila Steel Pty Ltd	s608(1)(a) – registered holder of the shares	As detailed above
Australian Mineral Investors Pty Ltd	s608(1)(a) – registered holder of the shares	ORD: 1,012,553
A Poli Superannuation Fund	s608(1)(a) – registered holder of the shares	ORD: 500,000
Anthony Poli	<ol style="list-style-type: none"> s608(3)(a) – voting power in Aquila Resources Limited is above 20% s608(1)(b) & (c) – power to control the voting and disposal rights of shares held by Australian Mineral Investors Pty Ltd s608(1)(b) & (c) – power to control the voting and disposal rights of shares held by the A Poli Superannuation Fund 	<p>As detailed above</p> <p>(ORD: 5,882,353)</p> <p>(ORD: 1,012,553)</p> <p>(ORD: 500,000)</p>

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Aquila Resources Limited	Aquila Steel Pty Ltd	Aquila Steel Pty Ltd	ORD: 5,882,353
Aquila Steel Pty Ltd	Aquila Steel Pty Ltd	Aquila Steel Pty Ltd	As above
Australian Mineral Investors Pty Ltd	Australian Mineral Investors Pty Ltd	Australian Mineral Investors Pty Ltd	ORD: 1,012,553
A Poli Superannuation Fund	A Poli Superannuation Fund	A Poli Superannuation Fund	ORD: 500,000
Anthony Poli	Aquila Steel Pty Ltd	Aquila Steel Pty Ltd	As detailed above (ORD: 5,882,353)
	Australian Mineral Investors Pty Ltd	Australian Mineral Investors Pty Ltd	(ORD: 1,012,553)
	A Poli Superannuation Fund	A Poli Superannuation Fund	(ORD: 500,000)

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Aquila Resources Limited	15/02/2007	Nil		ORD: 5,882,353
Aquila Steel Pty Ltd	15/02/2007	\$7,902,941		As above
Anthony Poli	15/02/2007	Nil		As above

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Aquila Resources Limited (ACN 092 002 769) (Substantial holder)	s11(a) Anthony Poli (associate) is a director of the substantial holder s11(c) Anthony Poli (associate) is a director of a related body corporate of the substantial holder
Aquila Steel Pty Ltd (ACN 097 803 613) (Substantial holder)	s11(b) Aquila Steel Pty Ltd (associate) is a related body corporate of the substantial holder
Aquila Coal Pty Ltd (ACN 097 801 940) (Substantial holder)	s11(a) Anthony Poli (associate) is a director of the substantial holder s11(c) Anthony Poli (associate) is a director of a related body corporate of the substantial holder
Aquila SA Pty Ltd (ACN 099 392 766) (Substantial holder)	s11(b) Aquila Resources Limited (associate) is a related body corporate of the substantial holder
Aquila EHM Pty Ltd (ACN 095 529 445) (Substantial holder)	s11(b) Aquila Steel Pty Ltd (associate) is a related body corporate of the substantial holder
Aquila Coal (Africa) Pty Ltd (ACN 110 036 041) (Substantial holder)	
Aquila Steel (SA) Pty Ltd (ACN 116 015 466) (Substantial holder)	
Aquila Steel (S Africa) Pty Ltd (Incorporated in South Africa) (Substantial Holder)	
Aquila Energy (S Africa) (Pty) Ltd (Incorporated in South Africa) (Substantial holder)	
B D Coal Pty Ltd (ACN 113 623 439) (Substantial holder)	
I P Coal Pty Ltd (ACN 114 245 993) (Substantial holder)	

6. Associates (con't)

Australian Mineral Investors Pty Ltd	s11(a)	Anthony Poli (associate) is a director of the substantial holder
A Poli Superannuation Fund	s11(a)	Anthony Poli (associate) is a director of the substantial holder

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Aquila Resources Limited and its associates	PO Box 1038, South Perth, WA, 6951

Signature

print name Howard Rae

Capacity: Company Secretary

sign here



date 19 / 2 /07

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.