

28 Mar 2012 06:37 GMT

DJ Tungsten Prices To Stay Around \$25,000/Ton For Next Five Years-Executive

SINGAPORE (Dow Jones)--Tungsten prices will hold firm around \$25,000 a metric ton over the next five to ten years amid strong demand and constrained supply, Noel Ong, managing director of Australia-listed tungsten explorer Siburan Resources (SBU.AU), said Wednesday.

Robust demand for the metal for use in tool steel and as a substitute for lead in some applications should support prices over the coming years, he said on the sidelines of Asia Mining Congress 2012.

"Tungsten has no replacement, you can't substitute it...and it's a rare metal, it's not like you're going to find a big chunk of it," he said.

Supply will struggle to keep pace with rising consumption, he said, noting that Chinese producers are looking abroad to expand their resource bases. China currently produces around 85% of the world's tungsten.

Compared with base metals or rare earths, investor awareness of tungsten's fundamental potential is relatively low, he said. While major global economies view tungsten as a strategic metal, "it's a product not many people know about," he said.

Siburan's flagship project is the Kirwans project near Reefton, in New Zealand's South Island, where the company has two tenements for exploration and prospecting of tungsten and gold. The company is undertaking exploration work on the project and hopes to have a resource within the next two to three years, Ong said.

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March 28, 2012 02:37 ET (06:37 GMT)

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