



SEDGMAN

ASX/MEDIA RELEASE

16 February 2007

Sedgman signs \$346m Lake Lindsay contract

Sedgman Limited announced today the signing of the Project Alliance Agreement to undertake design, construction and commissioning work on the \$346.4 million Lake Lindsay coal handling and processing facility with joint venture partner Thiess Pty Ltd.

Sedgman managing director Peter Hay said Lake Lindsay was the second project undertaken by the company for leading coal producer Anglo Coal Australia, which in April 2006 awarded the Thiess Sedgman Joint Venture (TSJV) a contract for the \$442 million Dawson mine project.

"We have built a strong relationship with Anglo Coal and this contract proves our hard work is paying off. We have been working with Anglo Coal since 2005 in planning for this project and commenced work under an interim agreement in March 2006.

"The signing of this contract provides further evidence that Sedgman is continuing to deliver on its prospectus forecasts," Mr Hay said.

"We have now landed two of the largest coal handling and preparation plant (CHPP) contracts ever awarded in the Australian coal industry," he noted.

Mr Hay said the company was moving to exploit growth opportunities in the global coal industry, after having already secured a dominant position in Australia with more than 50 percent of the market.

He said the Lake Lindsay project which was outlined in the company's prospectus as a high probably contract for Sedgman this financial year, would lock in prospectus revenues.

Lake Lindsay involves the delivery of a new processing plant, coal handling facilities and overland conveyor as part of an expansion of Anglo Coal's German Creek mine located 290 kilometres south-west of Mackay. The mine will have its coal handling and processing capability upgraded to 16 million tonnes per annum from the current 11 million tonnes.

The project work will include an 800 tonne per hour coal preparation plant and a 21-kilometre long single flight belt conveyor, the second longest of its type in the Southern Hemisphere.

Work on the project is due for completion by December, with the construction workforce peaking at 500 employees.

"The future growth and profitability of the company will be underpinned by Sedgman delivering new contracts in coal together with further expansion into the metalliferous sector through our recent Pac-Rim acquisition.

"We have delivered three new coal contracts so far this financial year, including the Acland and Sonoma CHPP contracts," Mr Hay said.

"We are also in negotiations for further expansion work and long term CHPP operations at Sonoma."

Having locked up Australia's top design and construct deals, Sedgman is set to utilise its expertise on the global stage.

"We're confident of replicating our success internationally, with double-digit coal production growth forecast in all of Sedgman's key geographical markets of Australia, South Africa, India and Indonesia through to 2010," Mr Hay said.

"On top of this are the opportunities available in the domestic and global metalliferous sector, particularly in nickel and iron ore operations."

BACKGROUND:

Sedgman Limited (ASX:SDM) was established in 1979 and has become a leading provider of multi-disciplinary engineering, project delivery and operations services to the Australian coal industry. Specialising in the design, construction and operation of coal handling and preparation plants (CHPPs), Sedgman is recognised internationally for its coal processing and materials handling technologies. After listing on the ASX in June 2006, Sedgman expanded into the metalliferous sector in December 2006 with the acquisition of ore crushing and screening services provider Pac-Rim.

The **Thiess Sedgman Joint Venture** was formed in 2001 between Sedgman and Thiess Pty Ltd, one of the largest construction, mining and services providers in the Asia-Pacific region. Both companies have an equal stake in the TSJV, while Thiess holds a 38.10 percent equity stake in Sedgman.

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