



**SEDGMAN**

ASX/MEDIA RELEASE

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## **Sedgman extends scope of Benga CHPP contracts to \$63m**

### **Key Points**

- New Benga design and balance of supply contracts valued at \$50 million
- Sedgman's expanded scope of work under Benga agreements totals \$63m
- Construction contract negotiations continuing
- South African operation expanding to support increased market penetration
- Confirmation of Sedgman's positive growth outlook

Sedgman Limited (ASX Code: SDM) today announced it has signed design and balance of supply contracts worth \$50 million for the Benga coal handling and preparation plant (CHPP) in Mozambique.

These new contracts follow on from the \$13 million long lead item supply contract announced by Sedgman on 22 December 2009, taking the total value of work awarded to the Company on the Benga project to \$63 million.

The Benga project is being developed by Riversdale Mining Ltd (ASX Code: RIV) and its partner Tata Steel Limited in Mozambique's Moatize basin through their jointly owned entity, Riversdale Mozambique Limitada (RML).

The contracts awarded to Sedgman relate to the US\$270 million first stage of the Benga project and are being delivered by Sedgman Australia and Sedgman South Africa under a tripartite contract with RML.

Stage 1 entails processing 5.3 million ROM tonnes per year to produce approximately 1.7Mtpa of high quality hard coking coal and 0.3Mtpa of export thermal coal. The CHPP will be designed for an initial throughput of 800 tonnes per hour (tph) with provision for staged expansion to 3,000 tph.

Sedgman's Managing Director Mark Read said the Company was very pleased to have signed these contracts and is looking forward to finalising negotiations for construction of the CHPP.

"Having achieved market leadership in Australia, we are now winning significant international projects in our targeted regions," Mr Read said.

The new Benga contracts follow on from the \$123 million in Engineering, Procurement and Construction (EPC) contracts Sedgman won recently in South Africa for Xstrata Coal's ATCOM project at Witbank near Johannesburg and the \$50 million EPC contract win for Whitehaven's Narrabri Coal CHPP project in New South Wales.

Mr Read said that these contracts supported Sedgman's positive earnings outlook for FY2011 and beyond.

“We expect to continue to grow our order book by capitalising on the increasing number of project opportunities both in Australia and abroad,” he said.

Sedgman is recognised internationally for its coal processing and materials handling technologies and is currently focused on a \$5.5 billion global pipeline of targeted project opportunities in coal and metals.

### **About Sedgman**

**Sedgman Limited** (ASX:SDM) was established in 1979 and is a leading provider of mineral processing and associated infrastructure solutions to the global resources 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.

Sedgman listed on the ASX in June 2006. The Company is comprised of two core divisions – Coal and Metals – both of which have Engineering Services and Operations business units. Head Office is in Brisbane with international offices in Beijing, Santiago and Johannesburg to service the targeted growth regions of China/Mongolia, South America and southern Africa. The company has more than 700 staff and a market capitalisation of approximately \$340 million.

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