



SEDGMAN

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Sedgman signs EPC contract for Boseto Copper Project

Key Points

- Sedgman signs EPC Contract for Discovery Metals Limited's (DML) Boseto Copper Project in Botswana
- Contract initially requires completion of Front End Engineering Design (FEED) followed by detailed design, procurement and construction subject to DML's approval
- Total estimated value of works is approximately USD\$85 million
- Project completion targeted for late 2011
- Strategic opportunity for Sedgman to showcase full Metals Division capability to growing market

Leading resource sector services company Sedgman Limited (ASX Code: SDM) has today secured a contract to Engineer, Procure and Construct (EPC) a new processing plant for Discovery Metals Limited's (ASX Code: DML) flagship Boseto Copper Project in Botswana.

The project lies 80 km south west of the town of Maun in Botswana's north west and is being delivered by Sedgman Limited under a contract signed between Sedgman South Africa (Pty) Ltd and Discovery Metals' Botswana subsidiary Discovery Copper Botswana (Proprietary) Limited.

Sedgman's initial scope of works under the contract includes Front End Engineering Design (FEED) and related metallurgical testing for the copper flotation plant. Subject to DML's approval, the scope of works will then be expanded to include detailed design, procurement and construction of the plant and associated infrastructure, including the borefield development. The total estimated value of all works is approximately USD\$85 million.

The conventional copper flotation plant is being designed with a rated throughput of up to 3 million tonnes per annum to accommodate the planned project expansion from open cut to underground operations.

Construction is scheduled to commence later this year and be completed by late 2011.

Sedgman's Managing Director Mark Read said the contract win was particularly significant for the Company's Metals Division given the competitive tender process involved and the opportunity to showcase its capability within the international market.

"We have been particularly encouraged by the number of studies the Metals Division is currently working on, supporting our view that the metalliferous sector is starting to mirror all the signs of the strong recovery now evident within the coal sector," Mr Read said.

"We look forward to developing a close working relationship with the team from Discovery Metals to deliver the Boseto Project on time and on budget and to expanding the metalliferous capability within our South African office in Johannesburg."

Mr Read said award of the contract also acknowledged Sedgman's approach to safety and the environment, design innovation and project execution.

“Importantly, the new Boseto contract follows on from the \$150 million of Engineering, Procurement and Construction (EPC) contracts won by Sedgman over the past two months,” Mr Read said.

“We expect to deliver the full scope of works for the Boseto project which further supports our positive growth outlook for FY2011 and beyond, particularly as we continue to grow our order book and capitalise on the increasing number of project opportunities both in Australia and abroad.”

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

The Metals Division team has worked with clients on studies and projects in some of the most difficult and remote locations in the world in North and South America, China, Europe, south Asia and Africa, including Mauritania and the Democratic Republic of Congo.

The Boseto Copper Project is located within a belt of significant copper mineralisation that extends from the well known and more highly developed Zambian Copper Belt across north-west Botswana and into Namibia. The undeveloped portion of this belt in north-west Botswana is known as the Kalahari Copper Belt.

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 minerals processing and materials handling technologies.

Sedgman listed on the ASX in June 2006. The Company has more than 700 personnel and services the global coal and metalliferous markets by offering innovative Engineering and Operations capabilities. Head office is in Brisbane with international offices established in Beijing, Santiago and Johannesburg targeting the growth regions of China/Mongolia, South America and southern Africa.

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