



**SEDGMAN**

ASX/MEDIA RELEASE

7 June 2010

## **Sedgman extends scope of Benga CHPP contracts to more than \$143m**

### **Key Points**

- New Benga construction contract valued at approximately \$80m
- Sedgman's expanded scope of works for Benga CHPP exceeds \$143m
- South African business expanding to support increased market penetration
- Total value of EPC Coal contracts won over the past three months exceeds \$225m
- Potential value of EPC Metals contract won over the past month is US\$85m
- Further confirmation of Sedgman's positive growth outlook for FY11 and beyond
- Global diversification strategy delivering substantial growth opportunities

Leading resource sector services company Sedgman Limited (ASX Code: SDM) has today signed a construction contract worth approximately \$80 million for the Benga coal handling and preparation plant (CHPP) in Mozambique.

This new contract takes the total value of Benga project work awarded to the Company to more than \$143 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).

Sedgman's scope of works relates to the US\$270 million first stage of the Benga project and is being delivered by Sedgman Australia, Sedgman South Africa and Sedgman Mozambique.

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 consist of an 800 tonne per hour (tph) Dense Medium Cyclone, reflux classifier and flotation circuit with raw and product coal handling facilities and has been designed with provision for staged expansion to 3,000 tph. Tailings will be deposited in a dam and coarse rejects will be trucked back to the pit area.

Sedgman's Managing Director Mark Read said the Company was pleased to have finalised the last contractual element for stage 1 of the Benga CHPP project and looked forward to developing a long-term relationship with RML.

"We are committed to delivering this CHPP to specification, on time and on budget and look forward to providing our full scope of services to RML," Mr Read said.

Mr Read said the award of the Benga contracts acknowledged the extent of Sedgman's leadership in minerals processing and materials handling technologies.

"Importantly, this new contract follows on from the \$150 million of EPC contracts won by Sedgman's Coal division in the past three months, and the award to the Metals division of an EPC contract for Discovery Metals' Boseto Copper project in Botswana which is potentially worth US\$85 million," Mr Read said.

“Delivery of the Benga CHPP project 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.”

Mr Read said the increasing amount of work being won by Sedgman in southern Africa further demonstrated the success of the Company’s global diversification strategy in penetrating targeted offshore markets and regions where its major clients were operating.

“Importantly, this strategy is delivering Sedgman a substantial number of options to drive growth particularly as we cement new client relationships in these offshore jurisdictions,” he said.

Sedgman’s global strategy targeting the emerging coal basins of southern Africa, China/Mongolia and South America, and expansion of metalliferous mining activity in those regions, is being supported and driven through offshore offices in Johannesburg, Beijing and Santiago.

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.

### **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 mineral 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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