



**SEDGMAN**

ASX/MEDIA RELEASE

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**Amended Announcement**

**Sedgman expands Sonoma contract to \$100 million, wins operations deal**

Resource services company Sedgman Limited announced today the expansion of the Sonoma coal handling and preparation plant contract to \$100 million with the stage 2 development of the mine, in addition to the signing of an operations agreement.

Managing Director Peter Hay said the contract wins reflected Sedgman's strong client relationships. Both contracts were previously identified as being under negotiation.

"The initial \$75 million contract for an 800 tonne per hour CHPP was awarded to Sedgman in September 2006 without a tender process and represented the largest independent contract ever awarded to the company," he said.

"Sedgman has been working with the client Q Coal since 2005, and our ability to deliver on time and within budget has now led to the scope of work being expanded by another \$25 million ahead of the initial plant's commissioning in late 2007."

He said the operations agreement is for the initial five years of operation, equating to around 25 million tonnes of feed coal.

Located south of Collinsville at the northern end of Queensland's Bowen Basin, the Sonoma mine is owned by a joint venture consisting of Australian coal producer Q Coal, US iron ore producer Cleveland Cliffs, Japan's JFE Shoji and Taiwanese steel producer, China Steel.

The mine is a greenfields project which will produce both coking and thermal coal.

"Sedgman has now secured five operations contracts at the Coppabella, Moorvale, Blair Athol, Middlemount and Sonoma coal mines, in addition to a consultancy agreement at Peabody's Millennium mine," Mr Hay said.

"We are the industry leader in the design, construction, operation and maintenance of coal handling and preparation plants in Australia, and are continuing to target growth in our Operations business unit to provide stable and recurring income streams."

The coal boom continues to deliver new opportunities for Sedgman, both in Australia and abroad, on the back of rising commodity prices and constrained supply.

Sedgman is also pursuing opportunities in the global metals industry following the recent acquisitions of operations services group Pac-Rim and minerals process engineering company Intermet.

**About Sedgman**

**Sedgman Limited** (ASX:SDM) was established in 1979 and through the Sedgman brand 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. In July 2007, Sedgman further expanded into this sector with the acquisition of minerals process engineering and project management company Internet Engineering Pty Ltd.

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