



**SEDGMAN**

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**Sedgman expands overseas with contract for CVRD's Moatize coal project**

Resource services company Sedgman Limited announced today its first major overseas coal deal, with the signing of a \$20 million design contract with Brazilian resources giant CVRD, for its Moatize project in Mozambique.

Sedgman managing director Peter Hay said the multi-billion dollar Moatize project has the potential to be one of Africa's biggest coal mines and represents a significant step in the company's global expansion.

"Sedgman is delighted to have secured this contract with CVRD, the world's second-biggest resources company," he said.

"Having worked with the industry's majors in Australia, we are pleased to be associated with CVRD in Africa as part of our coal division's expansion offshore."

He said Sedgman will be undertaking the detailed design and documentation of a 4,000 tonne per hour process plant, one of the largest single-building, four module coal preparation plants in the world.

"The Moatize project's coal preparation plant will be about twice the size of our biggest plant in Australia at Anglo Coal Australia's Dawson project near Moura, Queensland," Mr Hay said.

Headquartered in Rio de Janeiro, CVRD (Companhia Vale do Rio Doce) has announced a five-year, US\$59 billion investment program encompassing more than 30 greenfield and brownfield projects worldwide. The company will spend an industry record of US\$11 billion on organic growth projects in 2008 as part of its expansion strategy.

"Having worked hard to achieve market leadership in Australia in the design, construction and operation of coal handling and preparation plants, Sedgman is now moving to secure overseas opportunities where it can provide its industry-leading expertise," Mr Hay said.

According to CVRD, Moatize is considered the largest unexplored coal province in the world, with an estimated 35-year project life. The company sees opportunities in supplying coking coal from the project to the fast growing Brazilian steel industry and thermal coal to the energy market in Africa.

CVRD, aims to produce over 14 million tonnes a year of metallurgical and thermal coal by 2015.

"Sedgman is set for continued international expansion across both our coal and metals divisions, including in southern Africa, China and India," Mr Hay said.

"Sedgman Metals also sees significant opportunities in the larger metalliferous sector through the recent acquisitions of Pac-Rim and Intermet."

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## **About Sedgman**

**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. 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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