



ASX/MEDIA RELEASE

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Sedgman confirms Millennium CHPP contract win

The coal division of expanding international resource sector services company Sedgman Limited (ASX Code: SDM) has today confirmed the conversion of its consultancy agreement at the Millennium Mine's coal handling and preparation plant (CHPP) into a significant operations contract. The Millennium Mine's major shareholder is Peabody Pacific Pty Ltd.

Managing Director Peter Hay said Sedgman Coal had been awarded a two-year operations contract starting this month with a one-year extension option.

Revenue for the initial term is expected to be approximately \$45 million.

"Sedgman has made a concerted effort to secure more operations agreements which offer stable, long-term earnings streams to complement our Engineering Services contracts," Mr Hay said.

"Our coal operations business unit now has contracts for the management of six CHPPs in Central Queensland."

Mr Hay said the Millennium contract had already had a positive impact on Sedgman Coal's results and been secured as a result of strong performance and a close client relationship.

"Sedgman has worked closely with Millennium Coal to complete the construction, commissioning and rectification of the CHPP, which is now achieving its nameplate capacity of around 1,000 tonnes per hour," Mr Hay said.

"We have allocated significant resources to the development of systems and processes in our Operations unit to cater for the recent growth, with more growth expected as we expand our coal division both domestically and internationally."

The Millennium mine is located near Moranbah in Queensland's Bowen Basin.

"Sedgman's outlook remains excellent, ," Mr Hay said.

"With a forecast for record profits in fiscal 2008, we are expecting another strong year ahead as we expand into markets with huge potential for long-term growth, including Africa, China and South America, on top of the booming Australian coal and metals sectors."

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.

Sedgman's structure comprises two core divisions of Sedgman Coal and Sedgman Metals, encompassing the business units of Engineering Services and Operations. Based in Brisbane, the company has approximately 600 staff and a market capitalisation of approximately \$485 million.

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