



SEDGMAN

ASX/MEDIA RELEASE

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Sedgman Metals extends McArthur River operating contract

Expanding resource sector services company Sedgman Limited (ASX:SDM) has secured an extension of its operating contract for the crushing circuit at Xstrata Plc's McArthur River base metals mine in the Northern Territory.

The two-year contract with McArthur River Mining Pty Ltd (MRM) - which is deemed to have commenced on April 2008 - replaces two earlier contracts and provides for two one-year extensions. The contract is expected to generate total revenue for the Group of \$14.4 million during the first two years.

Under the contract Sedgman Metals subsidiary Pac Rim, will operate and maintain McArthur River's zinc mine's primary, secondary and tertiary crushing plants and mobile equipment and have responsibility for supplying stockpiled Run-of-Mine ore to the plant.

Sedgman's Managing Director Mr Mark Read said the contract reflected the efforts and commitment being made by metals division subsidiary Pac-Rim.

"This extended opportunity to work with Xstrata at McArthur River allows Sedgman to cement and deepen an existing relationship with one of the world's leading diversified mining houses," he said.

In addition to the McArthur River contract, Pac Rim recently signed a contract with Lihir Gold Limited ('LGL') for the supply of a mobile primary crusher at the Lihir Island gold mine in Papua New Guinea. This one-year contract with a one-year option will generate revenue of approximately \$1.4 million per year.

"We see this opportunity to work with LGL as yet another significant development for Sedgman Metals," Mr Read said.

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

Mr Read said Sedgman would continue to benefit from the numerous opportunities available within the global resources sector.

"As recently announced, Sedgman has been servicing a record number of feasibility studies in both engineering services and operations, which we are confident of converting into contracts in the future," he said.

“These identified opportunities represent a \$3.2 billion pipeline that has the potential to generate substantial future growth for Sedgman.”

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 650 staff and a market capitalisation of approximately \$450 million.

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