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## **New Handlebar Hill contract & Mt Isa extensions see record order book top \$700m**

Expanding resource sector services company Sedgman Limited (ASX:SDM) has secured an operations contract for in excess of \$70 million at Xstrata Plc's new Handlebar Hill base metals mine at Mount Isa.

Under the 5-year contract Sedgman Metals will build, operate and maintain the mine's four-stage crushing plant and be responsible for stockpiling and supplying Run-of-Mine ore to the plant and loading crushed ore for processing.

Sedgman's Managing Director Mr Mark Read said the contract involved a capital investment of approximately \$19.0 million in plant construction and reflected the significant growth potential of metals division subsidiary Pac-Rim.

Sedgman has also extended its existing operations contracts with Xstrata at the Mt Isa mine until June 2014. These contract extensions, together with Handlebar Hill, take Sedgman's order book to record levels exceeding \$700 million.

"We see this opportunity to extend our relationship with Xstrata as a reflection of Sedgman's commitment to excellence in both understanding our clients' needs and delivering timely solutions which meet their expectations," Mr Read said.

"As recently announced, we have also extended our McArthur River contracts with Xstrata which further reflects our commitment to securing operating contracts in order to grow our stable and long term earnings streams."

Sedgman now manages in excess of 30 million tonnes of ore per annum across both its Metals and Coal divisions.

Mr Read said Sedgman was capitalising on its growth opportunities and confident of securing further new projects in response to the large number of prospects available within the global resources sector.

"Sedgman has continued to service a record number of feasibility studies in both engineering services and operations," Mr Read said.

"These identified opportunities represent a \$4.0 billion pipeline that has the potential to generate substantial future growth for Sedgman."

At Handlebar Hill, Sedgman has been contracted to crush lead/zinc ore to an optimum particle size suitable for transport and treatment at Xstrata's Mt Isa smelter.

The open cut mine north of Mount Isa was approved in June 2007 at a capital cost of \$61 million.

Recent drilling, metallurgical testing and design work has confirmed an open pit reserve of 4.3 million tonnes in an area south of the George Fisher underground mine. Ore from George Fisher will also be treated at the new crushing plant.

## **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 global resources 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 700 staff and a market capitalisation of approximately \$450 million.

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