

SEDGMAN Limited

A.B.N. 86 088 471 667



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20 November 2008

The Manager
Company Announcements
ASX Limited

Dear Sir/Madam

SEDGMAN LIMITED – 2008 ANNUAL GENERAL MEETING

Enclosed is a copy of the speeches to be given by Sedgman Limited's Chairman and Managing Director at today's annual general meeting.

Yours faithfully
SEDGMAN LIMITED

A handwritten signature in blue ink, appearing to read 'A. Relf', is written over a faint, larger version of the same signature.

Adrian Relf
Company Secretary



SEDGMAN

CHAIRMAN'S ADDRESS

SEDGMAN ANNUAL GENERAL MEETING 20 NOVEMBER 2008

Ladies and Gentlemen, welcome to Sedgman Limited's 3rd Annual General Meeting.

I prefaced my comments in this year's Annual Report by noting Sedgman's pride in being recognised as a highly respected and successful business.

At the forefront of this are our people and the Board is committed to a policy of zero harm to every person within our workforce. This remains an over-arching principal across all business strategies and objectives.

Our business has been generating strong bottom-line earnings for many years while maintaining good relationships with customers in a highly competitive market.

Sedgman is a relative newcomer to the Bourse – having only gone public in 2006. However, we are no stranger to the coal industry in which we have had strong growth as a privateer for more than 30 years.

We have successfully grown in the good times and the bad times and we have learned a great deal. Sedgman has built a great team of people over the years, supported by leaders with experience and vision.

The Company has a strong balance sheet, strong cash flows and strong client relationships with the world's leading resource companies. Our share register includes long-standing cornerstone investors.

Sedgman has identified a strong pipeline of targeted projects and importantly entered the new financial year with a record order book, including work in hand worth more than \$700 million.

We are as well prepared as we can be to ride through the challenges now looming large on our corporate radar screen. In fact I believe Sedgman is ideally placed to emerge in an even stronger market position when the economic cycle swings up again, as it inevitably will.

I plan to elaborate and talk more about our strategy for growth in this climate a little later, but firstly I'd like to briefly recap on the year just past.

FY2008 HIGHLIGHTS

Sedgman's core strengths are its leadership, strategic planning and proven ability to deliver innovative, world class solutions to clients on time and on budget.

These core strengths were again reflected in the achievement of a record net profit after tax for FY2008 of \$23.4 million – exceeding our market guidance.

Combined revenue, including contributions from joint ventures, rose 4.5 per cent to \$387.8 million, underpinning a 21.1 percent rise in cash earnings of 16.1 cents per share, exceeding our forecast of 15–20 percent growth.

On the strength of this performance the Directors declared an increased final fully franked dividend of 4.5 cents per share, taking the full year payout to 8.0 cents, compared to 7.0 cents previously.

Managing Director Mark Read will walk you through the year in review in more detail in his address to follow and also provide you with a positive update on our FY2008-09 Guidance.

SUSTAINABILITY

International demand for a range of commodities looks set to soften over the next 12-18 months as a result of the global slowdown in economic growth.

Sedgman's core business is in the delivery of the resource sector staples of coking and thermal coal where underlying volume demand is more stable and predictable.

The projects that support the supply of these staple resources are what underpin the Board's confidence in your company's ability to continue to deliver strong bottom line earnings.

Sedgman's position is further buffered through its deep involvement with the world's leading resource houses and the range of its contracted projects within Australia and internationally.

Consequently, Sedgman has work in hand and a near pipeline of major projects which will underpin earnings through 2010 and beyond.

As mentioned in our FY2008 Annual Report, we undertook a global review of resource sector activity and opportunities during the year.

This review identified an impressive list of potential domestic and international projects worth more than \$4 billion. Of these projects we are already closely involved in more than 75% via client relationships or work on prefeasibility studies.

Importantly, Sedgman has a proven ability to focus within the pipeline on projects that have the highest probability of going ahead and to deliver strong commercial outcomes from them. In fact growth opportunities are likely to improve because under such circumstances barriers to entry in this sector can be expected to increase.

As a result of 30 years experience, Sedgman sees the challenging market conditions we face now, as an opportunity to consolidate our market position and see off weaker competitors.

There is also a "recession-proof" element to Sedgman's business. That's because the Company is heavily involved in the long term operation of existing mines to meet underlying demand for coking and thermal coals – the resource staples - driven by baseline consumption. As reserves are consumed they also have to be replaced by the development of new projects.

The emerging economies, which will continue to grow strongly, have higher demand for these staple resources resulting in sustainable growth.

Shortly our Managing Director, Mark Read, will talk about some of the exciting new coal projects that are under development in our near pipeline.

The Board and management are acutely aware of investor concerns about the fall in the Company's share price as a result of the financial tsunami which has swept through global credit and equity markets.

While we cannot control the external environment in which Sedgman operates, shareholders can be assured that our focus remains fixed on controlling all aspects of the business within our sphere of influence to deliver sustainable earnings growth.

We believe that if we continue to do our job and deliver on this front, the market will, over time, more accurately reflect the true value of the Company's earnings in the share price.

STRATEGIES FOR GROWTH

Our history also helps underpin the Board's confidence in your Company's future.

During the early 1980s the resources sector in Australia went through a particularly significant and protracted downturn, following a period of rapid expansion which opened up coal mining in the Bowen Basin.

What did we do back then? Well Sedgman then focused its attention on offshore opportunities and entered the Indonesian market where there were a number of significant projects being developed to keep us busy.

Admittedly, this was a reactive response to see us through a tough period in the domestic market, but the point is that the Company survived and went on to prosper. We now have a much more developed and focused international growth strategy in place than we did back in the 1980s.

Yes, our research has confirmed that Sedgman's strongest growth opportunities still lie within our own Australian market. However, Sedgman is committed to growth and are actioning plans for international development in Southern Africa, China and Latin America.

We believe the Brazilian, Russian, Indian and Chinese (BRIC) economies will continue to drive demand for our staple commodities and that is why Sedgman can be found working on projects which service these economies.

In Southern Africa we are working with Brazilian resources giant Vale and Australian listed resources company Riversdale on projects in Mozambique's exciting Moatize Coal Basin.

China's economy will continue to grow as will its coal industry, which is the largest in the world and I'm very pleased by the acceptance of our presence there and the speed with which management has been able to pursue opportunities within that market.

In Mongolia, Sedgman has been awarded preferred tenderer status to provide EPCM services for the initial 800 tonne per hour coal handling and preparation plant module at the Ukhaa Khudag (UHG) coal mine for Energy Resources.

Our presence in Chile also continues to provide technical support for focused international growth on the back of our leadership in coal and bulk materials handling.

Importantly, we remain conservatively geared and our balance sheet has been strengthened by our expansion program. The acquisitions of Pac-Rim and Intermet were modest and we continue to evaluate quality businesses as potential M&A targets. However, these will only proceed when the opportunities are right and shareholder value is enhanced.

BOARD CHANGES

In relation to the Board's composition Rodney Lamb decided to stand down from the Board in April after more than 20 years of executive service.

On behalf of the Board I wish to thank him for the valuable contribution he made during this time, especially in helping us through the transformation from the private to public sectors.

I'm also pleased to note that Rod will remain available to provide his technical expertise to the Company on an exclusive consultancy basis.

During the year we also welcomed Greg Miller to the Board as a representative of our major shareholder, Thiess Pty Ltd.

After a magnificent ten years of service in the job Peter Hay stepped down as Managing Director of the Company following an executive search to find a suitable candidate as his replacement.

As noted in the Annual Report Peter provided Sedgman with drive and high-level expertise that has ensured we have exemplary engineering and project delivery systems. We were delighted when he agreed to fill the Board vacancy created by Rod's departure.

The process for the appointment of our new Managing Director and CEO Mark Read was extensive and rigorous.

And since joining the Company in May this year Mark has shown what a great asset he is to Sedgman's Board and management with his strategic thinking, leadership and broad technical experience.

CONCLUSION

In closing I want to reiterate my belief that Sedgman is well positioned to meet the challenges we face in 2009 and will remain focused on delivering solid bottom line earnings. This is supported by a strong order book and near pipeline of projects.

I will now hand over to Mark who will deliver his Operations Report and provide an update on our FY2008-09 earnings guidance.

Thank you



SEDGMAN

**MANAGING DIRECTOR'S OPERATIONAL REVIEW
SEDGMAN ANNUAL GENERAL MEETING 20 NOVEMBER 2008**

Thank you Russell and good morning ladies and gentlemen. I am pleased to be here to deliver my first address to shareholders as Managing Director and Chief Executive Officer of Sedgman Limited.

In the Annual Report, signed off in August, I said Sedgman was at an exciting point in its proud history after another year of outstanding results.

I have to concede that the excitement and challenges we've experienced in financial markets since then was not what I had in mind.

Despite this, Sedgman is continuing its momentum generated by the record 2008 financial year.

We have entered 2009 with a record order book of over \$700 million and strong working relationships with the world's major resources companies.

This order book encompasses a healthy list of engineering projects as well as long term operations contracts which will continue to generate strong revenue streams for the Company for many years to come.

Importantly, we have implemented a five-year Strategic Plan based on market fundamentals and underlying long term assumptions which will continue to drive Sedgman's sustainable growth.

I will have more to say about our strategy, but first I want to focus on the year in review.

FY2008 RESULTS

Sedgman delivered another record profit and finished the 2008 financial year in a position of strength, with a healthy balance sheet underpinned by strong cash flows and a robust cash position.

Combined revenue rose 4.5% from \$371.1 million to \$387.8 million while Earnings before Interest, Tax and Amortisation (EBITA) rose 32.6% to \$43.5 million.

Net profit after tax was up 12.3% to \$23.4 million and underlying cash earnings per share rose 21.1% to 16.1 cents per share, exceeding market guidance.

Reflecting this, total dividends rose 14.3% to 8.0 cents per share fully franked.

Engineering Services experienced EBITA growth of 33.2% mainly due to strong contributions from the Sonoma and Moatize projects and the inclusion of Internet.

Operations, which accounted for 35% of total EBITA, also generated very good growth of 31.6%. The commencement of operations at Sonoma, higher earnings from Red Mountain and the full year inclusion of Pac-Rim were the key factors contributing to this growth.

These great results have been achieved because Sedgman is a technology leader providing valued clients with leading minerals processing solutions.

We are differentiated by the quality, simplicity and certainty of our delivery.

I would now like to focus on the performance of our two operating divisions, Coal and Metals.

COAL DIVISION

The Sonoma project exemplifies the way Sedgman does business in the coal sector. We delivered the project on time and budget despite floods and a tight labour market. The client gave us the ultimate accolade by increasing our scope of work through the addition of a second-stage processing module and a five-year operations agreement. The final value of the contract is in excess of \$180 million.

Another significant part of the coal division's success was securing the contract for the design, construction and commissioning of the Lake Vermont Coal Handling and Processing Plant (CHPP). The value of this project exceeds \$100 million.

Sedgman also achieved practical completion on the Dawson CHPP which was delivered through the Thiess Sedgman Joint Venture in alliance with Anglo Coal. This is a proud achievement for us as the plant is the largest such facility constructed in Australia.

2008 saw Sedgman's consultancy agreement with Peabody converted into a two-year operations contract for the Red Mountain Joint Venture. Strong performances were also achieved from our operations at Blair Athol and Moorvale.

Internationally, Sedgman is undertaking the design of a 30 million tonne per annum process plant for Vale in Mozambique. This important project is located in the Moatize Basin, one of the largest underdeveloped coking coal resources in the world.

Sedgman has now established a strong presence in this region, further evidenced by our more recent engagement by Riversdale Mining, which I will talk more about shortly.

METALS DIVISION

The performance of Sedgman Metals was highlighted by the acquisition and integration of Intermet and Pac-Rim.

Pac-Rim enjoyed success by securing a mobile crushing contract at the Lihir Gold Mine in Papua New Guinea as well as picking up further domestic work, including the \$70 million Handlebar Hill contract for Xstrata.

Strong operational performances were also achieved at Cannington (BHP Billiton), Agnew (Goldfields Australia) and at Xstrata's sites at Mt Isa, McArthur River and Ernest Henry.

At Intermet we continued to reposition the business to focus on the major resource companies, lessening the impact of the current credit crisis.

Looking forward, our core focus is to leverage our technical expertise and client relationships across both our Coal and Metals businesses.

SAFETY

Sedgman is committed to safety, a key building block of our strategy. Given its importance I am personally leading our safety initiatives.

It was most pleasing to receive a letter from Macarthur Coal's Managing Director, Nicole Hollows, acknowledging our impressive safety record at the Coppabella mine site.

In the letter to the Chairman, Ms Hollows wrote and I quote:

“Recently the (Sedgman) team reached 45 million tonnes and seven years (Lost Time Injury free) which is a significant milestone, now setting a benchmark for others in the industry.

The team at Macarthur looks forward to the ongoing strong relationship with Sedgman and continuing the safety excellence.”

However, we can always do more and we continue to challenge ourselves to improve our safety culture and performance.

RESEARCH AND DEVELOPMENT

Sedgman is determined to remain an innovator and technological leader.

We continue to invest in targeted R&D to stay at the forefront of mineral processing technology.

In addition, Sedgman's business model naturally creates an R&D environment.

Each study we undertake, each facility we design and construct and each plant we operate allows us to learn and innovate for the next project.

CONFIDENCE IN THE FUTURE

As Russell highlighted, Sedgman is confident of its future.

Sedgman has a premium market position and a long list of blue chip resource sector clients. We also see a strong underlying demand for commodities such as coking and thermal coal.

Our strong fundamentals in these challenging times will provide us with opportunities to enhance our market position.

Sedgman entered the new financial year with a record order book in excess of \$700 million with the majority of this in the form of long term contracts. As a company we remain diligently focused on delivering these contracts.

As Russell noted we have also identified a strong pipeline of winnable projects worth more than \$4 billion. We are already undertaking early works on 75% of this pipeline.

To ensure that we continue delivering for our clients we must continue to focus on retaining and recruiting quality staff. Sedgman's driving force will always be its people. Our ability to grow staff numbers in FY2008 by 51 percent is a testament to our culture and reputation as an employer of choice.

OUTLOOK AND GUIDANCE

On releasing Sedgman's FY2008 results in late August I said the outlook for both coal and the metalliferous sectors was positive both domestically and internationally. This underpinned the expectation of further cash earnings per share growth in FY2009 of 15-20 per cent.

Since that time we have witnessed extreme volatility in the financial markets.

Despite this Sedgman has not experienced any significant contraction in coal project work. Accordingly, our guidance for FY 2009 remains unchanged.

As a matter of financial prudence Sedgman management are continually reviewing our cash position, resource utilisation and expense management to ensure our strategy of sustainable growth remains the key focus.

Sedgman remains positive about the future and we have a strong belief in our Strategic Plan and this is supported by a number of exciting opportunities that are currently under development.

In the domestic market, Sedgman previously announced the award by BMA of the \$80 million design and supply contract for the 800 tonne per hour Daunia CHPP. This year we are expecting to extend the relationship into the construction phase.

Furthermore BMA has contracted Sedgman to undertake the project definition phase for a new coal processing facility to be located at the Caval Ridge mine in the Bowen Basin.

Sedgman has also received letters of intent to proceed with the design and construction of the Run of Mine upgrade at the Bengalla Joint Venture mine in NSW as well as a flotation upgrade for the 800 tonne per hour Sonoma CHPP.

As indicated by our project pipeline, Sedgman continues to execute a substantial number of feasibility studies. One of the most recent highlights is the commencement of the feasibility study development for the CHPP at Xstrata's Wandoan coal project, a proposed major new development capable of opening up the Surat basin.

In line with our strategy for focused international expansion we have made significant progress in each of our targeted locations.

Sedgman has been engaged by Riversdale Mining to undertake a bankable feasibility study for the CHPP at the Benga coal project located in the Moatize basin in Mozambique. We have commenced the project definition for the initial 800 tonne per hour CHPP module and expect to move into full execution during 2009.

Our Beijing office has been awarded preferred tenderer status by Energy Resources for the provision of EPCM services for the initial 800 tonne per hour CHPP module for the UHG coal project in Mongolia.

In South America we have commenced procurement and are in negotiations to undertake the construction of the El Cerrejon CHPP upgrade in Columbia. We also remain focused on the development of our engineering capability in Santiago.

Upon finalisation of these commercial contracts we will make further market announcements.

In closing I would like to thank all Sedgman's employees for their hard work and dedication during the year. The quality and commitment of our people is second to none.

To our shareholders be confident we are focused on profitably delivering quality projects for our clients and continuing our earnings growth story.

I am excited about the future opportunities for Sedgman and I am confident FY2009 will be another great year.

Thank you

Mr Chairman