



ASX/MEDIA RELEASE

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### **McArthur River declares force majeure on crushing contract**

Sedgman Limited (ASX:SDM) today confirmed that Xstrata Plc's McArthur River Mining Pty Ltd has declared "force majeure", effective midnight on 26 January 2009, on the crushing contract operated by Sedgman Metal's subsidiary Pac-Rim.

McArthur River, Xstrata's base metal mine in the Northern Territory, has advised it is unable to comply with contractual obligations following the recent Federal Court decision on 17 December 2008, which invalidated the original mine approval granted by the Federal Minister for the Environment on 20 October 2006. Mining ceased as a result of the court's decision, and McArthur River has advised that supplies of stockpiled ore will be exhausted by Sunday 25 January 2009.

McArthur River has also advised they are unable to determine the length of the delay at this time and will provide periodic notices in accordance with the contract.

The crushing contract was announced by Sedgman on 10 July 2008 and is for a period of 2 years from April 2008 with expected revenues of approximately \$7 million per annum.

Sedgman will further update the market as details of the effect and expected duration of the force majeure event are determined.

#### **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 700 staff and a market capitalisation of approximately \$75 million.

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