



SEDGMAN

ASX/MEDIA RELEASE

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Sedgman wins AUD\$56m worth of new contract work in South America

Sedgman Limited (ASX:SDM) today announced it had won a AUD\$50 million (USD\$36m) contract to design and construct a new coal handling plant (CHP) as part of a major expansion of the Bocamina power station in Chile.

The signing of the Bocamina contract coincides with the execution of another AUD\$6 million contract associated with an expansion of Colombia's El Cerrejon coal mine – one of the world's largest open-pit operations.

The Bocamina power station, owned and operated by major Latin American energy group Endesa, is located in the coastal city of Coronel approximately 400km south of the Chilean capital Santiago.

Tecnimont Chile, on behalf of the Tecnimont-SES consortium, is undertaking the 350MW power station expansion for Endesa at a total project cost of over USD\$600 million.

Sedgman Coal's Chief Operating Officer Mr Steve van Barneveld said the company's Santiago-based team had already been working closely with Endesa/Tecnimont to provide the conceptual and basic design to lift coal handling capacity to 1.4 million tonnes a year.

"This Engineering Procurement and Construction (EPC) contract involves the design and supply of the equipment, the site construction and installation and the commissioning of the complete system," Mr van Barneveld said.

"The upgraded coal yard will include a new stockpiling area, specifically designed stackers and a modern control system to ensure efficient reception of the coal from the nearby port and its subsequent mixing and feeding to the generator boilers."

The El Cerrejon contract is for design, procurement and construction activities to expand the existing processing plant from 375 tonnes per hour to 500 tonnes per hour. Design work has now been completed and it is anticipated construction will be completed during a plant shut down in August 2009.

Sedgman's Managing Director Mr Mark Read said the Bocamina and El Cerrejon contracts further reflected Sedgman's technological leadership and the success of the Company's decision to establish a well-resourced presence in Chile as part of its targeted international growth strategy.

"We remain focused on the development of our engineering capability in Santiago to support Bocamina and a suite of other potential projects around the world," Mr Read said.

Mr Read said that the Bocamina and El Cerrejon contracts both highlighted the diversity of opportunity available to Sedgman internationally and maintained growth momentum as the Coal Division continued to service a significant number of feasibility studies.

“Sedgman is confident of its future growth,” he said. “Of our \$4.3 billion pipeline of targeted opportunities, we are currently involved in over 90 per cent of projects in the one-year timeframe and more than 75 per cent of other projects identified.”

Work on the Bocamina CHP upgrade commenced under a letter of intent with completion due by mid-2010.

About Sedgman

Sedgman Limited (ASX:SDM) was established in 1979 and is a leading provider of mineral processing solutions 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.

Sedgman listed on the ASX in June 2006. The company’s structure comprises the two core business units of Engineering Services and Operations that currently service both coal and minerals opportunities. Based in Brisbane, the company has approximately 700 staff and a market capitalisation of approximately \$150 million.

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