

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of members of SEDGMAN LIMITED ACN 088 471 667 ('Sedgman' or 'Company') will be held on Tuesday 21 November 2006 at Chifleys at Lennons Hotel, 66 Queen Street, Brisbane, Queensland, commencing at 10.00am (Brisbane time).

Ordinary Business

1. Financial Statements and Reports

To receive and consider the Company's financial reports and the report of the Directors and the report of the Auditor for the financial year ended 30 June 2006.

2. Directors' Remuneration Report

To consider and, if thought fit, to pass the following in accordance with s250R (2) of the *Corporations Act*:

'That the section of the report of the Directors dealing with the remuneration of the Company's Directors and Senior Executives be adopted.'

NB: This resolution shall be determined as if it were an ordinary (majority) resolution, but under s250R (3) of the *Corporations Act*, the vote does not bind the Directors or the Company.

3. Election of Mr Russell Kempnich

To consider and, if thought fit, to pass the following as an ordinary resolution:

'That Russell Kempnich, who retires by rotation in accordance with rule 16.1 of the Company's Constitution, and being eligible, be re-elected as a Director of the Company.'

4. Election of Mr Rodney Lamb

To consider and, if thought fit, to pass the following as an ordinary resolution:

'That Rodney Lamb, who retires by rotation in accordance with rule 16.1 of the Company's Constitution, and being eligible, be re-elected as a Director of the Company.'

5. Election of Mr Roger Short

To consider and, if thought fit, to pass the following as an ordinary resolution:

'That Roger Short who was appointed to the Board following the last Annual General Meeting of the Company, and being eligible, be re-elected as a Director of the Company in accordance with rule 13.2 of the Company's Constitution.'

6. Election of Mr Robert McDonald

To consider and, if thought fit, to pass the following as an ordinary resolution:

'That Robert McDonald, who was appointed to the Board following the last Annual General Meeting of the Company, and being eligible, be re-elected as a Director of the Company in accordance with rule 13.2 of the Company's Constitution.'

7. Election of Mr Donald Argent

To consider and, if thought fit, to pass the following as an ordinary resolution:

'That Donald Argent, who was appointed to the Board following the last Annual General Meeting of the Company, and being eligible, be re-elected as a Director of the Company in accordance with rule 13.2 of the Company's Constitution.'

Information about the candidates appears in the accompanying Explanatory Memorandum.

Dated 4 October 2006

By Order of the Board

Michael Rochester
Company Secretary

Notes

Entitlement to vote

1. Sedgman has determined that for the purpose of voting at the meeting or adjourned meeting, shares will be taken to be held by those persons recorded in the Sedgman register of shareholders as at 7.00pm (Sydney time) on 19 November 2006.

Appointment of Proxy

2. If you are a shareholder and you are unable to attend and vote at the meeting, and wish to appoint a proxy, please complete and return the enclosed proxy form. A proxy need not be a shareholder of Sedgman.
3. The proxy form must be completed and lodged at Sedgman's share registry at:
Computershare Investor Services Pty Ltd,
Level 19, CPA Building, 307 Queen Street, Brisbane, 4001
GPO Box 523, Brisbane QLD 4001
Fax: +61 7 3237 2152
no later than 10:00am (Brisbane time) on 19 November 2006.
If the proxy form was signed under a power of attorney, then the power of attorney must also be lodged in the same manner and time as the proxy form.
4. A shareholder entitled to attend and cast more than 2 votes at the meeting is entitled to appoint 2 proxies to attend and vote. Where more than one proxy is appointed, each proxy should be appointed to represent a specified proportion of the shareholder's voting rights. Failure to apportion voting rights will result in each proxy being entitled to exercise half of the shareholder's votes.
5. A corporation may elect to appoint a representative, rather than appoint a proxy, in accordance with section 250D of the *Corporations Act 2001* in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.
6. Where a proxy and a shareholder both attend the meeting, the shareholder is not entitled to vote, either on a show of hands or on the taking of a poll, unless written notice revoking the proxy's authority is received by the Chairman or at the place for deposit of proxies before the proxy exercises the right to vote or speak.

If you have any queries on how to cast your votes then call the Company Secretary on 07 3327 1800 during business hours.

Explanatory Memorandum

Ordinary Business

Financial Statements and Reports

The *Corporations Act 2001* and the Company's Constitution require that the report of the Directors, the report of the Auditor and the financial reports be presented to the Annual General Meeting. Apart from the matters involving remuneration which are required to be voted upon, neither the *Corporations Act 2001* nor the Company's Constitution requires a vote of shareholders at the Annual General Meeting on such reports, however shareholders will be given reasonable opportunity to raise questions with respect to these reports at the meeting.

In addition to asking questions at the meeting, shareholders may address written questions to the Chairman about the management of the Company, or to the Company's Auditor, KPMG, which are relevant to:

- the content of the Auditor's Report to be considered at the meeting; or
- the conduct of the audit of the annual financial report to be considered at the meeting.

Any written questions must be submitted to the Company Secretary on or before Tuesday 14 November 2006 by either email (info@sedgman.com.au), fax (07 3327 1999) or post (PO Box 1801, Milton BC, QLD, 4064).

Directors' Remuneration Report

The *Corporations Act 2001* requires listed companies to put to their shareholders a resolution to adopt the Remuneration Report as contained in the Company's Annual Report.

The resolution is advisory only and does not bind the Directors or the Company.

Following consideration of the Remuneration Report, the Chairman will give shareholders a reasonable opportunity to ask questions about or to make comments upon, the Remuneration Report.

Election of Directors

Under clause 16.1 of the Company's Constitution, one third of the current Directors (excluding the Managing Director, any Director appointed under rule 13.2 and any Director who has vacated his/her office under clause 15.1) must retire by rotation at each Annual General Meeting.

In accordance with this rule, Mr Russell Kempnich, and Mr Rodney Lamb retire at the end of the meeting. Mr Russell Kempnich and Mr Rodney Lamb, being eligible, present themselves for re-election.

Mr Roger Short, Mr Robert McDonald and Mr Donald Argent were appointed to the Board during the year and under rule 13.2 hold office until this annual general meeting. In accordance with rule 13.2 of the Company's Constitution, Mr Short, Mr McDonald and Mr Argent being eligible, present themselves for re-election.

A summary of each candidate's experience and qualifications appear below.

Mr Russell Kempnich

Chairman

Russell Kempnich is a founding partner of Sedgman and Associates Pty Ltd, the original company established in 1980, from which the Sedgman business has grown.

Russell has more than 25 years experience in coal resource evaluation, process and plant design, construction and commissioning gained both in Australia and internationally.

As Managing Director of Sedgman from 1991, Russell led the organisation's growth from a consulting and engineering firm to a market leader in coal preparation, design and construction. He was responsible for the international expansion of the Company's operations.

In 1998 Russell became the Executive Chairman, having responsibility at the time for the corporate direction of the overall Sedgman group and business development. Russell became Chairman in April 2006 and no longer has executive responsibilities with Sedgman.

Mr Rodney Lamb

Executive Director

Rod Lamb has been a key member of the Sedgman team since 1986 when he joined Sedgman as Senior Process Engineer with responsibility for process design, research and development, commissioning and testing of numerous process applications for the coal and gold industries.

In 1992 Rod became a Director with initial responsibility for the management of the process, electrical and controls engineering groups, the conceptual development of new projects and research and development. In 1998 Rod's responsibilities included management of engineering functions including project management; electrical and controls, computing; process; materials handling; structural and civil engineering.

Rod continues his high level of involvement in the business, primarily focusing on research and development activities that continue Sedgman's tradition of innovation and technical advancement.

Explanatory Memorandum (continued)

Mr Roger Short

Non-Executive Director

Roger Short is a construction lawyer and company director. He has over 30 years experience in construction, mining and infrastructure work and recently retired as a consultant to McCullough Robertson Lawyers. He was previously a partner in a large national law firm. He has been a director of listed companies for more than 20 years and is currently a director of Payce Consolidated Limited, Paynter Dixon Pty Ltd and Local Government Infrastructure Services Pty Ltd, a Queensland government-owned corporation.

Mr Robert McDonald

Non-Executive Director

Rob McDonald is the principal of The Minera Group, a specialist mining advisory group headquartered in Australia but active in most mining regions of the world. Minera assists a select number of mining companies and mining investment and finance institutions in developing and executing business plans in the sector. Rob has more than 30 years experience in the mining sector, firstly in various roles with the Rio Tinto group and prior to launching Minera, in investment banking as Managing Director of N M Rothschild & Sons.

Rob is also a non-executive director of Emperor Mines Limited and Scarborough Minerals PLC.

Mr Donald Argent

Non-Executive Director

Don Argent is the Director of Finance and Administration for the Thiess Group which is one of Australia's largest integrated engineering and service providers in Australia and South East Asia and a substantial shareholder in Sedgman Limited. He joined Thiess Pty Ltd in 1985, following six years initial service with Thiess Holdings Limited in the late 1970s. He has had a pivotal role in the finance, administration, governance, growth and success of the Thiess Group of companies over the last 21 years.

Each of the Directors (other than the Director seeking re-election) recommends that you vote in favour of resolutions 3,4,5,6 and 7.