



SEDGMAN

ASX/MEDIA RELEASE

1 June 2009

Sedgman secures \$80m operating contract for Coppabella and Moorvale mines

Resource sector services company Sedgman Limited (ASX:SDM) today announced the extension and amalgamation of two key operating contracts worth \$80 million at the Coppabella and Moorvale coal mines operated by Macarthur Coal (C&M Management) Pty Ltd.

The three-year contract will see Sedgman continue to operate and maintain the Coppabella and Moorvale Coal Handling and Preparation Plants (CHPP), including their stockpile management and train loading functions.

Sedgman Coal's Chief Operating Officer Mr Steve van Barneveld said the contracted services included provision of staff, maintenance planning, process optimisation, health, safety and environmental management, supply of parts and consumables and provision of mobile equipment.

"This is Sedgman's third operating term for Coppabella since we designed and built the original CHPP in 1999 and our second term at Moorvale after completing the CHPP there in 2003," Mr van Barneveld said.

"One of Sedgman's major strengths is the close working relationship the Company fosters and develops over time with its clients and this is yet another example of those relationships delivering mutual benefits."

Mr van Barneveld said the Coppabella plant had processed more than 47 million tonnes of coal since completion and operated lost time injury free for the last eight years. Similarly, the Moorvale CHPP has processed 16 million tonnes and operated lost time injury free during the past three years.

Macarthur Coal Limited (ASX:MCC) Managing Director Nicole Hollows commended Sedgman on the Company's milestone achievement in safety at Macarthur's Moorvale and Coppabella sites.

"The team at Macarthur looks forward to our long term relationship with Sedgman continuing to add value throughout our operations," Ms Hollows said.

Sedgman's Managing Director Mark Read said operating contracts such as those renewed by Macarthur were particularly important to Sedgman for a number of reasons.

"Contract renewals like this are a powerful endorsement of strategy and how we do business because they not only provide an opportunity for us to strengthen and deepen key client relationships, but they also provide the Company with stable long term earnings," Mr Read said.

“More than 40 per cent of Sedgman’s FY2009 first half earnings were generated by our 12 operations contracts so, not surprisingly, we remain focused on growing our portfolio of such contracts in both the coal and metals sectors.”

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 \$180 million.

<ENDS>

For further information contact:

Mark Read
Managing Director, Sedgman Limited
Ph: (07) 3514 1000

Alan Wigan
Chief Financial Officer,
Ph: (07) 3514 1000

www.sedgman.com.au

Media

Richard Owen
Principal Consultant
Three Plus
Ph: (07) 3503 5700 or 0412 869 937
Email: richard@threeplus.com.au