Media Release

MACMAHON

19 August 2011

Macmahon awarded $110 million engineering contract

Macmahon Holdings Limited (ASX:MAH) is pleased to announce that it has been awarded a two-year underground engineering construction contract valued at approximately $110 million at the CSA Mine for Cobar Management Pty Ltd (CMPL), a subsidiary of AG Glencore International. The CSA Mine is an underground copper mine located in Cobar, in central western New South Wales.

The contract will see Macmahon undertake the project works as a complete turnkey contract. This will include all engineering design, fabrication, procurement, construction and management of the extension and upgrade of the CSA No. 1 Shaft. The project will require approximately 70 people to be employed on site.

The scope of work includes:

- Extension of the existing shaft from 1050 metres to 1550 metres including ground support and concrete lining;
- Equipping the shaft for hoisting to the surface including steel guides and services;
- Construction of a new head frame and installation of a tower mounted friction winder; and
- Construction of a new underground materials handling system including crusher, ore bins, conveyors and loading station.

On completion, the new underground materials handling and shaft hoisting system will have a capacity of 1.6 million tonnes per annum from a depth of 1500 metres.

Macmahon Chief Executive Officer, Nick Bowen, said the contract win is an excellent outcome for the business.

“It is particularly pleasing to be able to combine all facets of our capability including in-house mechanical, structural and electrical engineering, design, fabrication and on-site construction to deliver CMPL a quality solution to a complex project,” Mr Bowen said.

The project will be delivered by the Engineering division, which was previously part of the Underground division. The Engineering division will target projects such as this and the growth opportunities that exist in the market.

“This expanded focus reflects that all facets of the underground division are expanding, with recent contract awards spanning all our key services, including raise drilling, underground construction and specialised services. These awards add further depth to our already strong portfolio of work across Australia.

“The growth in this business is attributable to our outstanding safety record, skilled and experienced employees, and our ability to offer a range of services, which are paramount to our ongoing success,” Mr Bowen said.

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About Macmahon

Macmahon is a leading Australian contract mining and construction company with major projects throughout Australia, in New Zealand, Asia and Africa.

An ASX/S&P 200 company, Macmahon has played a major role in the delivery of many of Australia's largest multi-disciplinary mining and construction projects throughout its 48 year history.

Employing more than 3500 people, Macmahon offers the full range of underground and surface mining services and comprehensive construction capabilities spanning transport, marine, water and resource infrastructure services.

With a commitment to providing end to end services, Macmahon's reputation for outstanding teamwork, integrity and commitment to the environment is underpinned by the company's core value - safety.

Visit www.macmahon.com.au for more information.