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**Macmahon signs MOU to become preferred mining contractor for Batu Hijau mine**

Macmahon Holdings Limited (ASX:MAH) is pleased to announce it has signed a three year MOU with Indonesia's PT Amman Mineral Nusa Tenggara (**AMNT**).

The agreement will see Macmahon assist AMNT to evaluate options to accelerate production from its Batu Hijau copper and gold mine on Sumbawa Island. The parties will also explore options to potentially develop additional deposits in the same mining area, such as the large Elang resource.

Under the terms of this agreement AMNT has nominated Macmahon as its preferred contractor for the three year term of the agreement. This means that, in the event that production from the project is to be expanded, or existing mining works can more effectively be performed by a contractor, the parties will negotiate terms, exclusively and in good faith, for Macmahon to provide any earthmoving and mining services required.<sup>1</sup>

In calendar year 2016, the Batu Hijau mine produced approximately 477 million pounds of copper and 800,000 ounces of gold. Between 2018 and 2020, the total material movement at the mine (both ore and waste) is expected to be more than 200 million tonnes per annum.

AMNT has rights to terminate the MOU early if there is a change in control of Macmahon or a change in key management, and either party may terminate in the event of disputes.

Macmahon CEO, Michael Finnegan, said the agreement was an encouraging step forward in expanding Macmahon's presence in Indonesia.

"We are thrilled to be chosen by AMNT to assist it in relation to Batu Hijau, which is one of Indonesia's largest copper gold deposits" Mr Finnegan said.

"The relationship we are developing with AMNT is a testament to our ability to work successfully with major Indonesian companies and this MOU is a positive development in one of a number of opportunities Macmahon is pursuing in the near term in Australia, Indonesia and elsewhere internationally."

**\*\*\* ENDS \*\*\***

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<sup>1</sup> For the avoidance of doubt, there is no guarantee that a contract for Macmahon to provide earthmoving and mining services to AMNT will eventuate and the MOU itself does not provide for any payment to Macmahon. The MOU effectively provides Macmahon with an exclusivity period in which to negotiate terms with AMNT in good faith. Macmahon makes no representation about the likelihood of such a contract ultimately being awarded, or the financial or operational implications if any such contract were to eventuate.

## **About AMNT**

*PT Amman Mineral Nusa Tenggara (AMNT) is an Indonesian mining company which operates an 87,000ha copper and gold project on the island of Sumbawa, Nusa Tenggara, Indonesia. Batu Hijau is one of the mine sites under its Contract of Work with facilities including a processing plant with 120,000 tpd capacity, a 158 MW coal-fired power plant, a port with ferry terminal, air services and a town site. AMNT also has a large fleet of mining equipment at the site with estimated capacity of 120 million tonnes per annum. AMNT is currently exploring other parts of its Contract of Work area such as the Elang exploration prospect.*

## **About Macmahon**

*Macmahon is a leading Australian company offering the complete package of mining services to miners throughout Australia and in New Zealand, South East Asia and Africa.*

*An ASX listed company, Macmahon's diverse and comprehensive capabilities provide an end to end service offering to its mining and engineering clients.*

*Macmahon's extensive experience in both surface and underground mining has established the Company as the contractor of choice for resources projects across a range of locations and commodity sectors.*

*With an international footprint, 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](http://www.macmahon.com.au) for more information.*