



SEDGMAN

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Sedgman announces US\$31 million contracts at Mongolia's first coal plants

Key Points

- Sedgman announces contracts at Energy Resource's UHG coal mine in Mongolia
- US\$19m EPCM contracts for CHPP at UHG 2, following on from the UHG 1 EPCM contract now being completed
- First international operational readiness and operations contracts valued at approximately US\$12m for the management of UHG 1 plant
- These contracts confirm Sedgman is delivering on its international growth strategy and has gained early entry into one of the world's most significant emerging coal regions.

Leading resource sector services company Sedgman Limited (ASX:SDM) has announced contracts valued at a total of US\$31 million in the emerging global coal region of Mongolia, including the company's first international operations management contract.

Sedgman's contracts include US\$19 million of Engineering, Procurement and Construction Management (EPCM) contracts for the second stage of Energy Resources LLC's coal handling and processing plant (CHPP) at the UHG mine in the South Gobi region of Mongolia.

The contracts follow Sedgman's initial EPCM contract for the CHPP at the mine's first stage, UHG 1. The plant was the first to be built in Mongolia.

Sedgman has also been awarded a further US\$12 million worth of contracts - an operational readiness contract and a three-year contract to manage the CHPP at UHG 1. It will be the Company's first operations management contract outside of Australia, where Sedgman currently has 11 coal and metals operations contracts.

Sedgman Chairman Russell Kempnich said the contracts were further evidence the Company was successfully delivering on its international expansion strategy.

"We are very pleased to be expanding our relationship with Energy Resources in one of the world's most prospective coal regions," Mr Kempnich said.

"These contracts are very significant for Sedgman. We are very proud of our work on the coal plant at UHG 1, a development which is setting the standard in a region of Mongolia that is forecast to grow rapidly to meet the coal demands of China's major steel makers.

"The additional contracts for the management of the first plant and for EPCM services on the second plant show recognition of our ability to deliver on projects, including those in challenging and remote locations, and our ability to develop strong client relationships which result in repeat business.

"We are also very pleased to be expanding our operational management services internationally, beyond the Australian market where we have established a strong position."

Sedgman is now engaged in initial works on both the EPCM and CHPP projects. The three-year operations management contract for the UHG1 plant is expected to commence in the 4th quarter of FY2011.

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About Sedgman

Sedgman Limited (ASX: SDM) was established in 1979 and is a leading provider of mineral processing and associated infrastructure 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 mineral processing and materials handling technologies.

Sedgman listed on the ASX in June 2006. The company has more than 800 personnel and services the global coal and metalliferous markets by offering innovative Engineering and Operations capabilities. Sedgman won both the Premier of Queensland's Export Award and the Australian Export Award for the Large Services category in 2010.

Head Office is in Brisbane with international offices established in Beijing, Santiago and Johannesburg targeting the growth regions of China/Mongolia, South America and southern Africa.

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