

22 January 2013

Macmahon awarded largest ever mining contract

Macmahon Holdings Ltd (ASX:MAH) was today awarded its largest single mining contract, further underpinning its new strategy to become a dedicated full service mining contractor.

The Company secured the \$1.8 billion contract to deliver open cut mining services as part of the Christmas Creek Mine expansion for Fortescue Metals Group Ltd (ASX:FMG, Fortescue), following the award of preferred contractor status on October 31.

Macmahon Chief Executive Officer Ross Carroll said the five year contract in the Pilbara region of Western Australia was extremely significant as the Company focused its future on the mining sector.

The contract award brings Macmahon's mining order book to \$3.6 billion, its highest level in the Company's history.

"This is an exciting project that builds on the existing success of our surface mining operations, securing a stronger foundation for the Company's mining focused business over the next five years," he said.

"Macmahon has a long history of successfully delivering mining projects in the Pilbara and this project further expands the Company's presence in the region.

"We thank Fortescue for supporting a fellow Western Australian company and providing us with this opportunity."

The project includes all aspects of mine operations including drill and blast, overburden removal, ore harvesting, maintenance of equipment and associated services. It will involve the movement of approximately 300 million bank cubic metres of iron ore and associated overburden material.

Since commencing mobilisation to site under a limited notice to proceed, Macmahon has recruited about 600 people for the project, with more than 500 employees already mobilised to site.

Mining activities have commenced, with the development of on-site infrastructure underway and the mining of overburden, harvesting and drilling also in progress.

Macmahon will operate and maintain the fleet, most of which will be supplied by the client. The fleet includes large scale equipment including 400t and 600t class excavators, 190-300t capacity dump trucks, 200t wheel loaders, drills and associated support equipment.

The capital requirements are expected to total approximately \$30 million during the term of the contract, with the Company's highly successful equity raising recently completed to support these requirements.

"Macmahon's business has been built on developing productive and long term associations with our clients and this contract continues our strong relationship with Fortescue Metals Group," Mr Carroll said.

"This is a key project for Fortescue and Macmahon is pleased to be supporting their expansion."

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About Macmahon

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

An ASX listed company, Macmahon has played a major role in the delivery of many of Australia's largest multi-disciplinary mining and construction projects throughout its 49 year history.

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.