

3 April 2017

Macmahon selected as preferred mining contractor to develop Byerwen Coal Mine in Queensland

Macmahon Holdings Limited ACN 007 634 406 (**Macmahon** or the **Company**, ASX:MAH) is pleased to announce its selection as the preferred mining contractor for the establishment and operation of the new Byerwen Coal Mine near Glenden in Queensland's Bowen Basin, subject to the grant of Mining Leases.

Macmahon has today been notified by the project proponent, QCoal Pty Ltd, of its intention to enter into exclusive negotiations with Macmahon in order to finalise terms and execute a mining services contract for the Byerwen Mine. The proposed contract is expected to be based initially on a cost reimbursable model, moving to a hybrid of schedule of rates and cost reimbursable model within the first year.

Macmahon will now commence mobilisation and other preparatory activities, with its scope of work in the proposed contract expected to include the full range of open cut mining and bulk earthworks related services for at least three years. At this stage, the potential total material movement over this period is indicatively 50 million bank cubic metres per year. The potential value of the mining contract over its life, if ultimately agreed between the parties, is still to be determined.¹

Macmahon Chief Executive Officer, Michael Finnegan, said Macmahon was very encouraged to be selected by QCoal as the preferred contractor for the Byerwen Mine.

"This is a quality project which will deliver significant benefits to the local and State economy," Mr Finnegan said.

"While there is still a lot of detail to be negotiated, we are buoyed by our selection as preferred contractor, which highlights our ability to compete for desirable new projects."

"If we are successful in securing this opportunity, the project will mark our re-entry into the Queensland coal market following the successful conclusion of our Cameby Downs contract in 2013 and our Eaglefield contract in 2014 where we operated for 10+ years," Mr Finnegan said.

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For further information, please contact:

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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.

¹ To avoid any doubt, there is no guarantee that a final contract for Macmahon to perform the mining works will eventuate, and Macmahon makes no representation about the financial implications for the Company if a final contract were to eventuate.

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 for more information.

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This announcement contains forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events. These forward looking statements are based on, among other things, Macmahon's assumptions, expectations, estimates, objectives, plans and intentions.

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