



Media Statement

Wednesday 21 December 2005

Macmahon Wins Big Iron Ore Contract

Macmahon Holdings Limited (Macmahon) announced today that it has been awarded the mining and crushing contract for BHP Billiton's new "Orebody 18" open cut iron ore mine.

The contract, with a value of approximately \$250 million, represents the single largest contract, in terms of value, ever awarded to Macmahon.

The new satellite mine is located 34 kilometres east of Newman, in Western Australia's Pilbara region. Mobilisation and site establishment activities are scheduled to commence in February 2006 in preparation for plant commissioning.

Chief Executive Officer, Nick Bowen, believes this contract demonstrates how the growing strength and size of the Macmahon group can deliver major benefits to its key clients.

"This contract builds on Macmahon's strong relationship with the world's largest mining group. We now provide services for BHP Billiton mining operations at Mt Whaleback, Leinster, Olympic Dam, Cannington and Phosphate Hill," he said.

"This four year contract also allows Macmahon the opportunity to showcase the wide range of skills and resources available within our group.

"In fulfilling this contract we will also ensure that we work hard to maximise the opportunities, in terms of both employment and other benefits, for the local community.

"Macmahon will undertake the full range of mining services including drilling, blasting, loading and hauling of iron ore and waste materials. The ore processing services will include crushing and train loading of iron ore, in addition to the maintenance of the BHP Billiton owned ore processing infrastructure.

"You could say we're delivering as close to a one stop shop for the mining industry as you are likely to get," Mr Bowen said.

When fully operational, the new mine is expected to employ close to 140 people and produce up to 8 million tonnes per annum of iron ore for the duration of the contract.

The award of this contract complements the existing open cut contract mining work that Macmahon has undertaken at BHP Billiton's Mt Whaleback iron ore mine, since November 2003.

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