



Media Statement

Thursday 2 November 2006

Macmahon Awarded \$230 Million Iron Ore Contract

Macmahon Holdings Limited (ASX:MAH) announced today that it has been awarded a A\$230 million mining, crushing and train loading contract at the BHP Billiton Iron Ore Jimblebar open cut mine in the Pilbara region of Western Australia.

The 42 month contract will involve drilling, blasting, mining, crushing and train loading operations.

The Jimblebar operation is located approximately 60km east of Newman and will be run in conjunction with the existing Macmahon contract at BHP Billiton Iron Ore's Orebody18 iron ore mine nearby.

Macmahon Chief Executive Officer, Nick Bowen, said that the Jimblebar mine, which is an existing BHP Billiton Iron Ore mine, has been operated by Macmahon, on a short term contract, since March this year.

"The award of a 42 month contract is an excellent outcome which provides certainty for both Macmahon and our major customer.

"We have worked closely with BHP Billiton Iron Ore to finalise a contract that includes a carefully considered risk profile for each party, with Macmahon taking the appropriate responsibility for the issues it manages.

"Macmahon now has a significant presence in iron ore with BHP Billiton with the two long term contracts in the Newman region, Orebody 18 and Jimblebar, requiring a combined workforce of more than 300 people.

"Another key point is that we have been able to minimise capital expenditure and maximise efficiency by utilising existing heavy equipment from the recently completed Mt Whaleback project," Mr Bowen said.

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