

**MACMAHON**  
HOLDINGS LIMITED

ABN 93 007 634 406

13 January 2004

Mr Brendan O'Hara  
Manager Companies  
Australian Stock Exchange Limited  
2 The Esplanade  
PERTH WA 6000

Dear Mr O'Hara

**SHARE PURCHASE PLAN OFFER DOCUMENTS**

Please find attached a copy of Share Purchase Plan documentation being dispatched to shareholders, as announced on 23<sup>rd</sup> December 2003.

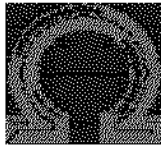
Yours faithfully

**MACMAHON HOLDINGS LIMITED**

ELIZABETH LEE  
COMPANY SECRETARY

For further details contact:

Rick Blair, Chief Financial Officer (08) 9365 1211  
Facsimile: (08) 9365 1186



**MACMAHON**  
HOLDINGS LIMITED

ABN 93 007 634 406

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Dear Shareholder,

**Share Purchase Plan Offer**

Macmahon Holdings Limited ("Macmahon") announced to the Australian Stock Exchange ("ASX") on 23<sup>rd</sup> December 2003 that it is undertaking a share placement to raise A\$20 million to strengthen the Company's balance sheet to provide for the necessary capital expenditure for newly secured contracts and to continue to actively pursue new work.

The Board of Directors of Macmahon is now pleased to provide an opportunity for all eligible shareholders to also participate in the capital raising initiatives of Macmahon through a Share Purchase Plan ("SPP").

Registered holders of Macmahon shares as at 5pm (Perth time) on 9 January 2004 (the "Record Date") with addresses in either Australia or New Zealand are eligible to participate in the SPP.

The SPP is seeking to raise A\$5.0 million with oversubscription up to A\$2.5 million (before expenses), by offering shares at an issue price of A\$0.26 per share.

The price per share under the recent placement was A\$0.26 and eligible shareholders are now being offered the opportunity to participate in the SPP at the same price. The price of A\$0.26 per share represents a discount of approximately 24.6% to the ASX closing price of the Company's shares on the day prior to the date of this offer and a discount of approximately 13.0% to the volume weighted average sale price of the Company's shares on ASX during the period from 5 January 2004 to 9 January 2004 inclusive.

Eligible shareholders may apply for a parcel of up to A\$5,000 worth of shares without incurring any brokerage or other transaction costs. Applications will be rounded down to the nearest whole number of shares. Thus, for the maximum subscription of A\$5,000 per eligible shareholder, applicants would be allotted 19,230 Macmahon shares.

**The SPP offer will close on 23<sup>rd</sup> January 2004.**

Full details on how you can purchase up to A\$5,000 of Macmahon shares are detailed on the reverse side of this letter.

I encourage you to read all the documentation in relation to the SPP carefully before deciding whether to participate.

To participate in the SPP, follow the instructions set out on the back of the attached Entitlement and Acceptance Form. This letter, the attached Terms and Conditions document and the Entitlement and Acceptance Form (to be completed and lodged by applicants) set out all the details of the SPP offer.

I look forward to your continuing support of Macmahon Holdings Limited.

Yours sincerely

DAVID HUMANN  
CHAIRMAN

**Terms of the Offer:**

- The terms and conditions of the SPP set out in this form and the enclosed letter from the Chairman should be read carefully.
- The offer of shares under the SPP is non-renounceable and is only open to shareholders resident in Australia or New Zealand.
- Payments may only be made by cheque or bank draft in Australian dollars and drawn on an Australian branch of a financial institution.
- Cheques or bank drafts are to be made payable to: "Macmahon Holdings Limited Subscription Account" and crossed Not Negotiable.
- A maximum of 19,230 shares may be applied for by any one shareholder under this offer.
- Cash payments will not be accepted via the mail.
- If you wish to accept this offer please return this entitlement and acceptance form duly completed together with a cheque for the subscription amount, in the envelope provided, by 5.00pm WST, 23 January 2004.
- Macmahon may reject an acceptance of this offer, in its absolute discretion, if this form is not completed in accordance with this offer, is incomplete or if the exact amount payable is not tendered with this form and, in any case, reserves the right, in its absolute discretion, to allot a lesser number of shares than that subscribed for.
- Applications will be accepted on a first in first allocated basis. Shareholders wishing to participate in the SPP are therefore encouraged to submit their entitlement and acceptance form in as soon as possible. The Company reserves the right to scale-back applications if the aggregate value of SPP applications received by Macmahon substantially exceeds its capital requirements. In such an event:
  - all applications made under a relevant offer category (i.e. A, B or C) will be scaled-back in the same way; and
  - Macmahon will refund the excess application money (without interest) at the soonest opportunity. Any determination by the Board in respect of any scaling-back will be final.

Receipt by Macmahon of this form duly completed, together with the full subscription amount, will:

- (i) constitute acceptance of the offer in accordance with the terms and conditions of the Share Purchase Plan and the constitution of Macmahon by the shareholder(s) named on this form;
- (ii) represent a certification by the shareholder named on this form that the aggregate of the application price the subject of this application and any other shares in the Company applied for under this Share Purchase Plan or any other share purchase plan or similar arrangement in the last 12 months does not exceed \$5,000.

A signature on this form is not required.

**The offer is non renounceable. This means that you cannot transfer your right to purchase SPP shares under the offer to anyone else. Shares may be transferred after they have been allotted on or about 28 January 2004.**

**QUESTIONS AND CONTACT DETAILS**

Participation in the SPP is entirely at your option. If you have any questions regarding the SPP or how to deal with this offer, please contact your stockbroker or professional adviser or Macmahon Holdings Limited:

Elizabeth Lee  
Company Secretary  
Macmahon Holdings Limited  
Phone: (08) 9365 1183

Addresses:

By Post	By Hand
Macmahon Holdings Limited PO Box 198 Cannington WA 6987	Macmahon Holdings Limited 44 Kurnall Road Welshpool WA 6106

Please return this form and cheque in the enclosed business reply paid envelope provided.

**Offer Closes 5.00pm WST, 23 January 2004**

# Macmahon Holdings Limited (ACN 007 634 406)

## Share Purchase Plan Entitlement and Acceptance Offer closes 5.00pm WST, 23 January 2004

«Holder_Name»	Allotment Date: 28 January 2004
«Address_Line_1»	Record Date: 9 January 2004
«Address_Line_2»	Price Per Share: 26.0 cents
«Address_Line_3»	Holder Identification Number (HIN): «TYPE»«Holder_No»
«Locality» «State» «Postcode»	

This is an offer to shareholders to subscribe for additional shares in Macmahon under the terms and conditions of the Share Purchase Plan ("SPP") set out on the back of this form and in the accompanying letter from the Chairman.

The issue price for each Macmahon share under this offer is 26.0 cents. The price was set at the price at which the proposed placement announced to ASX on 23 December 2003 is proposed to be made and represents a 24.6% discount to the current market price of 34.50 cents quoted at the close of trading on ASX on 9 January 2004, being last available share price before the date of the Chairman's letter.

The market price of shares in Macmahon may rise or fall between the date of this offer and the date that the shares are allocated to you. This means that the subscription price you pay for the shares may exceed the market price of the shares at the date of allotment of the shares under this offer. We recommend that you obtain your own financial advice in relation to this offer and consider price movements of shares in Macmahon prior to accepting this offer.

This SPP offer has been prepared in accordance with the requirements of Australian Securities & Investments Commission Class Order 02/831. Under the class order the maximum amount shareholders are permitted to subscribe for shares under this SPP is \$5,000, representing a maximum of 19,230 shares at the issue price of 26.0 cents. The maximum number of 19,230 shares (that each shareholder may apply for under this offer) will apply **even if a shareholder received more than one offer** (whether in respect of a joint holding or because the shareholder has more than one holding under separate share accounts). Macmahon reserves the right to reject any acceptance where this rule has not been complied with.

### Application for Shares

To participate in the SPP shareholders must select **only one** of the three following offers. Please mark the selected box.

Offer A	Offer B	Offer C
<input type="checkbox"/> 19,230 Shares A\$5,000	<input type="checkbox"/> 11,538 Shares A\$3,000	<input type="checkbox"/> 7,692 Shares A\$2,000

Please complete the following cheque payment details:

Drawer	Bank	Branch or BSB	Amount

Cheques should be made payable to "Macmahon Holdings Limited Subscription Account" and crossed "Not Negotiable".

Telephone number where we may contact you during business hours. (\_\_\_\_\_)

Contact Name: \_\_\_\_\_

**Offer Closes 5.00pm WST, 23 January 2004**