



2 November 2005

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

Fax: 08 9221 2020

Dear Mr O'Hara

RENOUNCEABLE RIGHTS ENTITLEMENT ISSUE SHORTFALL

In accordance to Listing Rules 3.1 and 7, Macmahon Holdings Limited wishes to announce that a total of 67,745,960 shares in entitlements (\$29,129,329.61) was received from the Renounceable Rights Issue.

The Underwriters has been advised of the shortfall of 5,399,649 shares (\$2,321,848.93) and expects the settlement on the shortfall to take place by Monday, 7 November 2005.

The official quotation for shares taken up by shareholders will be effective on 8 November 2005 and Holdings Statements will be despatched on 9 November 2005.

If you have any queries or require any clarification please call me on 08 9365 1183.

Yours sincerely

Elizabeth Lee
Company Secretary