

Monadelphous Group Limited

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MEDIA RELEASE

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MONADELPHOUS ACQUIRES NSW COAL SERVICES BUSINESS ELLAVALE ENGINEERING FOR \$7.25 Million

Monadelphous Group Limited (ASX: MND) is pleased to announce that it has entered into an agreement to acquire Hunter Valley-based coal services business Ellavale Engineering Pty Ltd (Ellavale Engineering).

Monadelphous will acquire the business and associated property of Ellavale Engineering for a total consideration of \$7.25 Million, including an earn-out component which is subject to the achievement of financial targets. Of the total consideration, \$2.75 Million will be satisfied by the issue of Monadelphous shares with the balance paid in cash.

Ellavale Engineering is the leading dragline and shovel maintenance provider, servicing the New South Wales coal industry and has a client base that includes the major resource companies Rio Tinto, Xstrata and Anglo Coal.

The company achieved turnover in excess of \$16 million for the 12 months to June 2006.

"Ellavale Engineering will be integrated into our Maintenance and Industrial Services Division, enhancing our recurring services revenue base and growing our presence in the eastern Australian resources sector," Monadelphous Managing Director Rob Velletri said.

"The principals of Ellavale, Rob Seath and Steve Honey, and their team bring a wealth of experience in the maintenance of specialist coal mining equipment such as draglines and shovels. This expertise will support Monadelphous' expansion in the Central Queensland coal fields, leveraging off our recently opened Mackay base."

Ellavale Engineering has been owned and operated by Rob Seath and Steve Honey since 1994. Both will be retained in the business in senior management roles.

"We are pleased that Rob and Steve will continue to play a key role in the growth of Ellavale as part of the Monadelphous Group," Mr Velletri said.

The acquisition of Ellavale Engineering represents the second significant acquisition by Monadelphous in the past 24 months. In 2005, the Queensland-based electrical and instrumentation services company MIE was integrated into the Monadelphous Group. MIE has since grown rapidly and provided the Group with significant multidisciplinary capability through the broader Monadelphous network of customers and projects. MIE sales revenue for the half year to December 2006 totaled \$40.4 million, a 274 per cent increase on the previous corresponding period.

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Further information: Rob Velletri, Managing Director. Tel: (08) 9316 1255

Monadelphous Group Limited is a leading national engineering group providing services to the resources, energy and infrastructure industry sectors. The company has a solid track record in the safe and effective delivery of complex and large-scale engineering construction projects and maintenance and industrial services for industry throughout Australia. Monadelphous' capabilities encompass civil, mechanical, structural and electrical disciplines. Although the mining sector has been the major focus of Monadelphous' work, the company is becoming increasingly diversified with growing involvement in the energy and infrastructure sectors. www.monadel.com.au