Service Stream Limited
Level 12, 555 Lonsdale Street
Melbourne, Victoria, 3000
PO Box 14570
Melbourne, Victoria 8001

www.servicestream.com.au

Tel: 61 3 9677 8888
Fax: 61 3 9677 8800
ABN: 46-072-369-870

ASX & Media Release

7 April 2009

McCourt Dando – Queensland Infrastructure Project Claim – Update

On 19 February 2009, Service Stream advised that McCourt Dando, which forms part of the Group's Infrastructure Services (Utilities) division, has a claim in relation to a major Queensland Government infrastructure project, where $14.6 million in latent conditions and contract variation claims has been brought to account.

The Company has sought appropriate legal advice, together with specialist expert advice, and remains confident that the claim will be resolved successfully in its favour.

Pending a final hearing of the matter by an arbitrator, or Court, as appropriate, the Company brought action against the head contractor to whom McCourt Dando was subcontracted under the *Building & Construction Industry Payments Act in Qld*. That Act provides for claims for money to be paid on an interim basis to a sub-contractor in certain circumstances, and the Company therefore sought to have the funds in dispute paid to it immediately, before any formal final determination in arbitration or Court of the matters in dispute. The cash flow forecast of the Company for the year ending 30 June 2009 does not include the receipt of any cash for this matter.

The adjudicator in the *Building & Construction Industry Payments Act* action provided her decision to the parties yesterday, and Service Stream has been unsuccessful in having the money paid to it at this stage.

This decision does <u>not</u> restrict in any way the Company's legal rights to bring formal legal proceedings in arbitration or litigation for its claim against the head contractor to recover the amounts the Company believes are owing to it for the work performed, and the Company intends to continue to pursue that claim.

Managing Director and CEO of Service Stream Mr Patrick Flannigan commented saying:

"We believed it was worthwhile seeking to be paid the funds in dispute pending the outcome of any future legal action, given that any final disposition of this matter may be many months away, and the interim step was a relatively simple one to execute. Though, this interim outcome is denied to us, we are considering further interim action and we will now also focus on the primary matter – which is to take appropriate action to recover the full amount outstanding to the Company following completion of the relevant work on the project.

I look forward to updating the market on the final outcome of the claim in due course."

For further details contact:

Service Stream Limited
Patrick Flannigan, Managing Director & Chief Executive Officer
Michael Doery, COO & Chief Financial Officer
Tel: (61 3) 9677 8888

About Service Stream Limited:

Service Stream is a public company listed on the Australian Stock Exchange (Code: SSM) with annualised revenues approaching A$600 million. The company is an industrial services enterprise with proven outsourced infrastructure deployment, management and service capabilities across 52 locations throughout Australia. Service Stream's technical staff of over 4,000 supports large asset owners on the deployment, management and servicing of essential network infrastructure in the telecommunication, electricity, water and gas sectors. For more information please visit the Company's website at www.servicestream.com.au.