ASX Release



4 January 2013

Macmahon responds to Sembawang announcement

Macmahon Holdings Ltd (ASX:MAH) notes the announcement yesterday by Sembawang Engineers and Constructors Pte Ltd (Sembawang) regarding two proposals under which Sembawang would acquire either a portion or all of Macmahon's Construction Business (refer attached Sembawang press release dated 3 January 2013).

Macmahon confirms that it has received an unsolicited, non-binding, incomplete and conditional proposal from Sembawang Australia Pty Ltd, a wholly owned subsidiary of Sembawang (the Sembawang Proposal), consistent with the terms described in the Sembawang press release.

Whilst the Sembawang Proposal is limited in detail, Macmahon notes that it is conditional upon satisfactory due diligence being completed, and Sembawang board approval being received, by 31 January 2013.

As previously announced to the market on 24 December 2012, Macmahon has executed an Asset Purchase Agreement ("APA") with Leighton Holdings Limited ("Leighton") in relation to the sale of the majority of its construction projects and associated plant to Leighton. Under the terms of the APA, and consistent with the exclusivity arrangements described in the MOU released to the ASX on 12 December 2012 (with which the summary of the APA provided on 24 December 2012 was to be read), Macmahon is subject to certain restrictions that apply to Macmahon's response to any competing proposal to the Leighton transaction.

These restrictions mean that, while the APA remains on foot, Macmahon cannot (without Leighton's prior consent) provide Sembawang with due diligence access for the purposes of Sembawang satisfying the due diligence condition to the Sembawang Proposal.

Macmahon will continue to keep its shareholders and the market informed of any developments in accordance with all legal and regulatory requirements.

*** ENDS ***





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About Macmahon

Macmahon is a leading Australian contract mining and construction company with major projects throughout Australia, in New Zealand, South East Asia and Africa.

An ASX listed company, Macmahon has played a major role in the delivery of many of Australia's largest multi-disciplinary mining and construction projects throughout its 49 year history.

Macmahon offers the full range of underground and surface mining services and comprehensive construction capabilities spanning transport, marine, water and resource infrastructure services.

With a commitment to providing end to end services, Macmahon's reputation for outstanding teamwork, integrity and commitment to the environment is underpinned by the company's core value - safety.

Visit <u>www.macmahon.com.au</u> for more information.



Press Release Singapore Thursday 3, January 2013

For Immediate Release

Sembawang Engineers and Constructors makes formal offer to purchase Macmahon Holdings' construction businesses for AUD25 million

Sembawang Engineers and Constructors Pte Ltd (Sembawang), a subsidiary of Punj Lloyd Limited, has kicked off the new year with a proposal to acquire the construction businesses of Macmahon Holdings Ltd, a leading Australian contract mining and construction company listed on the ASX.

The two-part offer is being made through its wholly-owned subsidiary, Sembawang Australia Pty Ltd.

PART A:

To purchase Macmahon's construction businesses as going concerns.

OR as a separate stand alone offer;

PART B:

A counter proposal to the Asset Purchase Agreement (APA) made by Leighton Holdings Limited ,on identical terms, for an additional consideration of AUD5 million.

Both these separate offers are the subject of satisfactory due diligence and Sembawang board approval by 31 January 2013.

Richard Grosvenor, President and CEO of Sembawang, elaborated on the rationale for the proposed acquisition, "Sembawang has always been eyeing Macmahon's construction business for over four years now and believe that the time is right to make this offer given the fit in strategies for both companies, that is in respect of Macmahon wishing to exit construction in Australia and Sembawang wishing to enter, our Wavebreak project on the Gold Coast Broadwater being testimony to this"

ENDS.



Press Release Issued by Sembawang Engineers and Constructors Pte. Ltd.

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About Sembawang Engineers and Constructors

Sembawang Engineers and Constructors Pte. Ltd. (Sembawang) is one of the leading engineering, procurement and construction groups in South-east Asia. Sembawang has a global presence, with offices in Malaysia, Indonesia, the Hong Kong SAR, the People's Republic of China, India, the United Arab Emirates, Bahrain and Australia.

Sembawang specialises in handling a diverse spectrum of technologically challenging and complex projects in the niche areas of mega infrastructures, high-rise buildings and utility works, such as power and water plants. The group has world-class competency across a full range of engineering disciplines and is an established leading turnkey contractor capable of providing technology-based solutions and quality products and services. It is also able to undertake projects under the build-own-operate and the build-own-operate-transfer bases.

Sembawang is a subsidiary of Punj Lloyd Limited, a leading engineering and construction group based in New Delhi and listed on the National and Bombay stock exchanges of Mumbai. The Punj Lloyd Group, with a global network spanning five continents, provides integrated design, engineering, procurement, construction and project-management services for the energy, infrastructure and petrochemical sectors.

Expertise and Accomplishments

Sembawang has received many accolades for its projects across Asia Pacific and the Middle East. It has been involved in many projects and has played a key role in the national development of Singapore. This includes the construction of Singapore's Changi International Airport, the Mass Rapid Transit Systems, the Light Rail Transit Systems, iconic buildings, leisure and industrial developments.



Landmark projects include:

- Singapore's Marina Bay Sands and Resorts World Sentosa integrated casino resorts, Singapore
- Kallang Paya Lebar Expressway, Singapore
- Changi Water Reclamation Plant, Singapore, one of the world's largest wastewater complexes
- Bayfront MRT station (Downtown Line Stage 1) in Marina Bay, Singapore
- Jumeirah Islands Villas, a high-end residential project, Dubai
- The Exchange, a mixed commercial development in Tianjin, People's Republic of China.

Sembawang has won recognition from various industry authorities and has an established integrated Health, Safety, Environment and Quality system recognised by the Building and Construction Authority of Singapore and TUV SUD PSB Certification. Sembawang has been certificated to ISO 9001 (Quality), ISO 14001 (Environmental), OHSAS 18001 (Safety).

For more information please visit www.sembawangenc.com and www.wavebreakisland.com or email bd@sembawangenc.com or telephone (+65) 6305 8788.

About Punj Lloyd Group

Punj Lloyd Group is a globally diversified conglomerate providing engineering, procurement and construction services in the energy and infrastructure sectors along with engineering and manufacturing capabilities in the defence sector.

Known for its capabilities in delivering mega projects on time, thereby ensuring repeat customers, the Group possesses a rich experience of successfully delivered projects, while maintaining the highest standards of health, safety, environment and quality.

Further information about the Group is available at www.punjlloydgroup.com