ASX Release



10 January 2013

Macmahon confirms new proposal to purchase Construction

Macmahon Holdings Limited (ASX:MAH) today confirmed it has received a revised, two part proposal to acquire either a portion or all of its Construction Business from Sembawang Engineers and Constructors Pte Ltd (Sembawang), as outlined in the attached correspondence.

The Board is considering the proposal and will continue to keep the market informed in accordance with all legal and regulatory requirements.

*** ENDS ***

For further information, please contact:

Investor Relations

Theresa Mlikota Chief Financial Officer +61 407 470 859

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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 www.macmahon.com.au for more information.

Sembawang Australia Pty Ltd

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by email and post

9 January 2013

Macmahon Holdings Limited Level 3, 27-31 Troode Street, West Perth, WA, 6005 Australia

Attention: Mr. Ross Carroll, CEO & MD

Dear Ross.

REVISED OFFER

The Purchase of Macmahon Holdings Limited's Construction Businesses as Going Concerns (PART A), or, A Counter Proposal to the Leighton Offer (PART B)

This letter supersedes our previous offer of January 2, 2013.

Part A

Sembawang Australia Pty Ltd wish to make an offer to Macmahon Holdings Limited, concerning the purchase of your construction businesses and for the avoidance of doubt this includes your rail business, all as going concerns, for the consideration of AUD38m, subject to our satisfactory due diligence and board of directors approval, by close of business Thursday, January 31, 2013.

OR as a separate stand-alone offer:

Part B

Sembawang Australia Pty Ltd wish to make an offer to Macmahon Holdings Limited, regarding a counter proposal to that outlined in the disclosures to the ASX regarding the Leighton offer, on the same terms and conditions for an additional consideration of AUD5m to that offered, subject to our satisfactory due diligence and board of directors approval, by close of business Thursday January 31, 2013.

Yours sincerely, Sembawang Australia Pty Ltd

Ir Richard Francis Grosvenor Director, President & CEO

Australian Business Number ACN 140 404 100