

Forge Group Ltd

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Australian Securities Exchange Company Announcements Office 10th Floor 20 Bond St SYDNEY NSW 2000

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Via E - lodgment

Dear Sir

Award of Contracts - \$60 million

MCC Mining (WA) Pty Ltd has confirmed by way of Letter of Intent that it intends to award Forge subsidiary, Cimeco Pty Ltd, a contract for onsite concrete placement and structural steel installation for the Work Filter Building Area at its Sino Iron Ore Project. CITIC Pacific's Sino Iron project is a world class, magnetite iron ore project located at Cape Preston, 100km south west of Karratha in Western Australia's Pilbara region. It is the largest planned magnetite project in Australia.

The scope of works for Cimeco is to install approximately 11,500 cubic metres of concrete and erect approximately 7,300 tonnes of structural steel. The contract will be the biggest project by value undertaken to date by the company and will be a catalyst for large item construction plant and equipment purchases commensurate with Cimeco's objective of becoming a Tier 1 contractor to the resource sector.

Additionally, Cimeco has been awarded a contract for the provision of onsite concrete services to the Southern Seawater Joint Venture desalination plant. The desalination plant will be situated on Taranto Road, between Binningup and Mylaup, and water from the plant will be fed into the Integrated Water Supply Scheme near Harvey, approximately 30 kilometres inland. The plant will produce 50 billion litres (gigalitres) of drinking water annually with a capacity to expand to 100 gigalitres per year.

Upon execution of both contracts the combined value of the two projects will be approximately \$60m and works will commence immediately.

Forge announced last Friday the award of a second mechanical contract valued at \$12m for Chevron's Gorgon project bringing the total of work won on the project to \$22m.

The forward order book of Forge Group Ltd (effective from 1st July 2009) now stands at approximately \$250m.

Yours sincerely

Peter Hutchinson Managing Director