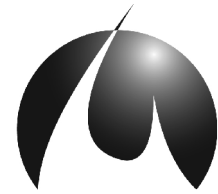


22<sup>nd</sup> February 2011



**Mastermyne**  
Underground • Services • Engineering

## **ASX Announcement**

### **Mastermyne to Book Impairment on Pike River Continuous Miner**

Key points:

- Directors come to the view that continuous miner dry hired to Pike River should be impaired as at 31<sup>st</sup> December 2010
- Insurance claim on continuous miner lodged with insurers

Mastermyne Group Limited (ASX Code: MYE) today issued a market update to confirm that the Directors have come to the view that the full carrying value of the continuous miner dry hired to Pike River should be impaired as at the 31<sup>st</sup> December 2010.

Mastermyne Group Limited today announced that during the period to the half year ending 31<sup>st</sup> December 2010, Mastermyne Pty Ltd, a legal entity in the Underground division of the Group, entered into a contract to dry hire one of its underground continuous miners (ABM20) to Pike River Coal in New Zealand.

On the 19<sup>th</sup> of November 2010 there was an explosion underground ceasing mining operations and subsequently commencing a recovery effort at the mine. By the 31<sup>st</sup> of December 2010 the mine experienced 3 more explosions, increasing gas levels and temperatures and significantly hampering efforts to re-enter the mine. Initially, Directors were of the view that it was probable that the asset could be recovered. Following a thorough investigation, conducted since early January to determine the probability of recovery of the asset, the main conclusions are that:-

1. There has been insufficient physical evidence as to the condition of the machine and
2. There has been no indication that the likelihood of re-entry to the mine has substantially improved.

As a result of this investigation, the Directors have come to the view that the full carrying value of the asset should be impaired as at the 31<sup>st</sup> December 2010. The asset was valued at \$3.034 million at the time of the event.

Mastermyne has commenced correspondence for the purpose of lodging an insurance claim for this loss event. Insurers have acknowledged that Mastermyne is an insured under the Industrial Special Risks (ISR) insurance policy issued by the insurers in favour of Pike River Coal Ltd. Mastermyne has been advised that it is entitled to make a claim under the policies in respect of the continuous miner.

## **About Mastermyne**

Mastermyne Group Limited (ASX: MYE) was established in 1996 and is a leading provider of specialised services to the Australian coal mining industry. Mastermyne listed on the ASX on 7<sup>th</sup> May 2010.

It has three operating divisions, Mastermyne Underground (underground roadway development, installation of conveyors and longwall relocation), Mastermyne Engineering (design and engineering of specialised mining equipment and consumables) and Mastermyne Services (surface electrical, mechanical and maintenance services).

Based in Mackay Queensland, Mastermyne has operations in Queensland's Bowen Basin and the Illawarra and Hunter Valley regions in New South Wales.

### **Further information:**

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