

ASX/MEDIA RELEASE

13 January 2016

Directors' response to CIMIC Takeover Offer

TAKE NO ACTION

The Sedgman Board recommend that shareholders take no action in relation to your shares or the proposed off-market takeover offer from CIMIC Group Investments Pty Ltd at this time

Leading resource sector services company Sedgman Limited (ASX:SDM) ("Sedgman" or "the Company") refers to the proposed takeover offer from the Company's largest shareholder, CIMIC Group Investments Pty Ltd ("CIMIC" or "the Bidder"), a wholly owned subsidiary of CIMIC Group Ltd (ASX:CIM) announced this morning.

CIMIC has indicated that it intends to make an unconditional cash takeover offer of \$1.07 per share (less any dividend paid by Sedgman) for all of the shares in the Company that it does not own ("the Offer"). CIMIC currently holds 36.99% of the issued capital in Sedgman.

At this time the Sedgman Board recommends that shareholders take **NO ACTION IN RELATION TO THEIR SHARES OR THE OFFER** or any correspondence or document received from the Bidder until they receive further information from Sedgman.

As the Offer is specified to be unconditional, CIMIC will not be able to withdraw the Offer, therefore there is no need for shareholders to take any action at this time. The Directors (other than the CIMIC nominee director) recommend that shareholders should wait until the Directors have had time to consider the Offer and provide their recommendation before taking any action in relation to their shares.

The Sedgman Board has formed a Sub-committee, comprising the current Directors but excluding the CIMIC nominee director, to consider the Offer and will provide its recommendation to shareholders once it has done so. Sedgman will keep shareholders and the market fully informed of any further developments.

The Company has appointed Citi as its financial advisor and Norton Rose Fulbright as its legal advisor. It is also in the process of appointing an independent expert to opine on the Offer in accordance with the requirements of the Corporations Act.

About Sedgman

Sedgman Limited (ASX: SDM) provides mineral processing and associated infrastructure solutions to the global resources industry. Our services range from concept, pre-feasibility and design through to construction, commissioning, operations, maintenance and asset management. Established in 1979, Sedgman listed on the ASX in June 2006 and has approximately 600 employees. Headquartered in Brisbane, Australia with offices in Perth, Townsville, Newcastle and Mackay, Sedgman has international offices in Shanghai, Santiago, Vancouver and Johannesburg. Sedgman delivers projects and operations across the globe.

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