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ASX Announcement

27 June 2011

ASX: DSB

Board of Directors

Gordon Galt – Chairman

Stephen Bizzaca – Managing
Director – CEO

Glyn Dawkins – Non Executive
Director

Geoffrey Garside – Non Executive
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To : Australian Securities Exchange

Company Announcement

**UNDERGROUND CONTRACTS UPDATE: Grasstree
Mine (Anglo Coal, Qld) and Berrima Mine (Boral, NSW)**

Delta SBD Limited (ASX code: DSB) today announces the following contracts/variations in relation to its underground contracting business:

- **a new contract to provide drill and blast dyke extraction services to Anglo Coal's Grasstree Mine in Central Queensland.**
- **Boral has increased the production requirement from Berrima Colliery by 25% for FY 2012.**

Commenting, Mr Stephen Bizzaca, Delta SBD ("DSB") Chief Executive Officer, said: "Under the new contract with the Grasstree Mine, DSB will undertake pre-extraction of a 490m dyke across a longwall block. Dykes like this are usually very hard and interfere with the extraction of coal by the longwall miner. We will be using drill and blast methodology in this instance – a technique which we have recently used successfully for dyke extraction at another mine in NSW. We are optimistic that successful execution of this contract could lead to similar projects in future longwall blocks. The Anglo Coal project demonstrates well that synergies within our group can lead us to deliver complex solutions to a number of clients."

The 25% expansion of production at the Berrima Mine will be implemented from July 2011. DSB manages the whole of mine operation at Berrima on behalf of Boral using a unique pillar extraction method based on continuous miner and breaker line supports. DSB believes that there are numerous applications in Australian coal deposits which could be amenable to this sort of extraction method.

Mr Bizzaca added “These new contracts/variations ensure that DSB will continue to be well placed to deliver growth for shareholders in FY12 and demonstrate the wide scope of the company’s capability in the underground coal contracting sector.”

Yours Faithfully



Tony McFadden
Chief Financial Officer and Company Secretary

About Delta SBD Limited

Delta SBD is one of the largest contract companies servicing the Australian underground coal mining industry. The Group is geographically diversified, with offices in Campbelltown NSW, Rutherford NSW and Mackay QLD.

The Group's objective is to provide value-add services to our clients by forging profitable long term partnerships. We provide each project/mine with competent work teams, fit for purpose equipment and excellent site management backed by a supportive corporate management group. We use safe and efficient work methods that enable on time completion of all works and services to the clients' requirements.

With improving demand and prices, the coal industry forecast looks positive. Structural changes in global coal markets and the cyclical rebound in global growth are driving increasing demand for thermal and metallurgical coal. For Australia this bodes well for increasing production and expansion projects. This should provide a continuing set of business opportunities for Delta SBD.