

ASX STATEMENT

TRANSFIELD SERVICES DELIVERING WATER SOLUTIONS TO QUEENSLAND AHEAD OF SCHEDULE

Transfield Services today announced the finalisation of the Project Alliance Agreement for the Eastern section of Queensland's Western Corridor Recycled Water pipeline.

The alliance, comprising of Transfield Services, A J Lucas, GHD, Sun Water and McCalls recently completed the first Stage of the Eastern section of the project, which is now delivering water, ahead of schedule. The overall contract is estimated to be worth around \$400 million of which Transfield Services has an interest of approximately 40 per cent.

The first stage, which linked Goodna Water Treatment Plant with the Advanced Water Treatment Plant at Bundamba, was valued at \$107 million. The second stage, which will link Oxley and Wacol to Bundamba, is scheduled for completion in June 2008. The third and final section which will link Luggage Point and Gibson Island to Bundamba, is scheduled for completion in October 2008.

The Western Corridor Recycled Water Project was announced on 2nd October 2006 by the Queensland Government as the preferred solution to Queensland's water shortages we were chosen as preferred tenderer. Once completed, it will supply recycled water for the State's power needs as well as for domestic and industrial use.

The Western Corridor Recycled Water Project is part of the Queensland Government's \$9 billion South East Queensland Water Grid, the largest urban drought response in Australia.

Chief Executive Officer of Transfield Services, Australia, Mr Bruce James, said the early completion of stage one of the project was testament to Transfield Services' experience and ability to work in alliances to deliver a high level of service.

"The current water crisis in Australia demands long term, sustainable solutions. Transfield Services is committed to delivering these solutions efficiently and safely," he said.

Transfield Services has a long history in the water and wastewater industries around Australia and overseas. Our water industry clients include Sydney Water, Melbourne Water, Gippsland Water in Victoria and the Water Corporation in Western Australia.

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Transfield Services is a leading global provider of operations, maintenance, and asset and project management services. Transfield Services has more than 26,000 employees working across Australia, New Zealand, the United States, the United Arab Emirates, Qatar, South East Asia, India and Canada. The Company operates across diverse industries including: mining and process; hydrocarbons; roads; rail and public transport; water; power; telecommunications; facilities management; and defence. Transfield Services Limited is publicly listed in Australia and included in the S&P/ASX 200 with a turnover of more than \$2.4 billion. www.transfieldservices.com

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