



The Leighton Group

Presentation for Southern Mongolia Infrastructure
Strategy Group Study Tour

Perth, Western Australia
November 2008

Local knowledge

International experience

Focused on success



Agenda

- The Leighton Group
- Capability outside of Australia
- Leighton Group Mining & Resource Capability
 - Current mining & resource projects
 - World's largest contract miner
 - Major mining clients
 - Typical roles of the contractor in mining
 - Typical skills of the mining contractor
 - Key reasons for using a contractor
 - Contract delivery styles
 - Cross section of current & past projects



Local knowledge

International experience

Focused on success



The Leighton Group

- Established in Australia in 1949
- Australia's largest development and contracting group
- Headquarters in Sydney, Australia
- Listed on Australian Stock Exchange since 1962
- Over 25,000 employees
- Credit rating: BBB+ (S&P), Baa1 (Moody's)
- Majority owned by HOCHTIEF, the world's largest international contractor (according to ENR.com)



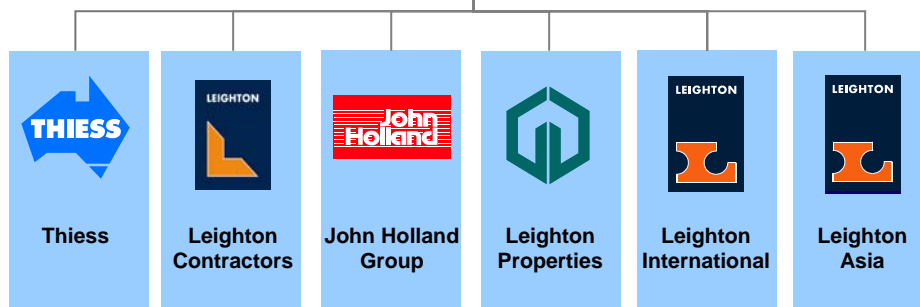
Local knowledge

International experience

Focused on success



The Leighton Group



Local knowledge

International experience

Focused on success



The Leighton Group

- Contract mining & EPC – Total Mine Management
- Civil Engineering and Infrastructure
- Process infrastructure, rail, road, tunnels, marine
- Utility infrastructure, power, water and waste water
- Building
- Oil & Gas
- Environmental services
- Telecommunications

Local knowledge

International experience

Focused on success



Capability outside of Australia



In addition to China and Mongolia Leighton Asia operates in Hong Kong, Macau, Taiwan, the Philippines, Guam, Thailand, Vietnam, Laos and Cambodia. We are also participating in development projects in Russia.

Our Leighton International business operates in Indonesia, India and the Gulf region

■ Leighton Asia Limited offices
■ Leighton International offices

Local knowledge

International experience

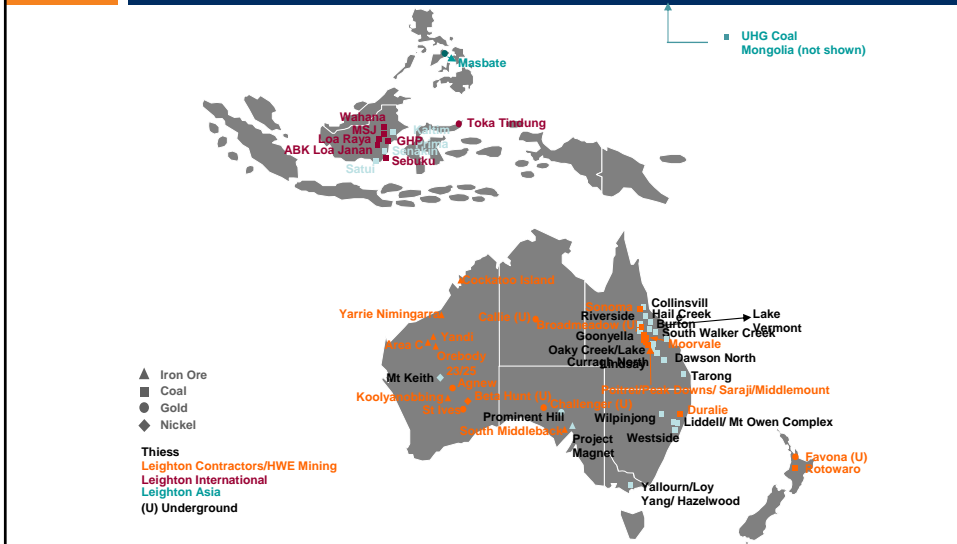
Focused on success



Leighton Group Mining and Resources Capabilities



Current mining and resources projects



Local knowledge

International experience

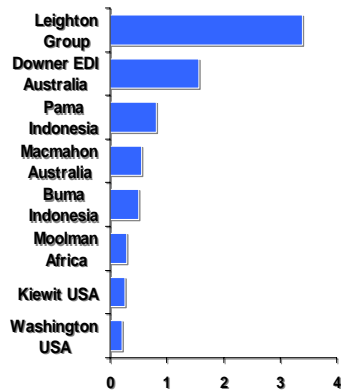
Focused on success



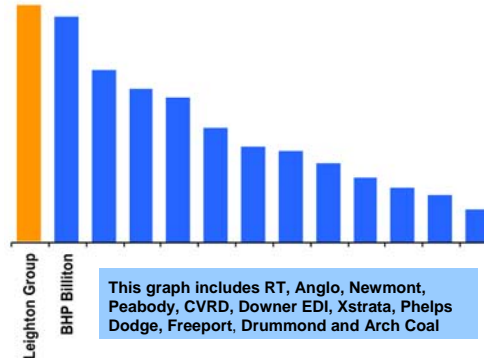
We are the world's largest contract miner and Caterpillar's second largest customer

World contract miners

(A\$bn revenue pa, various recent years as available)



Caterpillar Purchases 2004 - 2007



Local knowledge

International experience

Focused on success



Our major mining clients include

- BHP Billiton – coal, iron ore, nickel
- Oxiana - copper/gold
- Portman - iron ore
- Newmont - gold
- Dominion Mining - gold
- Wesfarmers - coal
- Bumi Resources - coal
- TRUenergy - coal
- Solid Energy – coal
- Queensland Coal/China Steel – coal
- RIO – Mining infrastructure
- Xstrata - coal
- Peabody - coal
- BMA - coal
- Idemitsu – coal
- Custom Mining – coal
- Sonoma - coal
- Werris Creek - coal
- Excel Coal - coal
- Macarthur Coal – coal
- Gold Fields - Gold

Local knowledge

International experience

Focused on success



Typical roles of the contractor in the mining sector

	Owner Operator	Traditional Contract Miner	Full Services Contracting
Contractor Activity	<ul style="list-style-type: none"> Limited to infrastructure set-up 	<ul style="list-style-type: none"> Pre-strip Mining Rehabilitation 	<ul style="list-style-type: none"> Infrastructure set-up Mine planning Pre-strip Mining Processing & load out Rehabilitation
Delivery System	<ul style="list-style-type: none"> Design & construct Lump sum 	<ul style="list-style-type: none"> Schedule of rates Lump sum 	<ul style="list-style-type: none"> Alliancing Schedule of rates per tonne delivered Schedule of rates for some components
Investment by Contractor	<ul style="list-style-type: none"> Nil 	<ul style="list-style-type: none"> Plant & equipment Working capital 	<ul style="list-style-type: none"> Plant & equipment Working capital Investment stake in mine
Skills Required by Contractor	<ul style="list-style-type: none"> Construction 	<ul style="list-style-type: none"> Earthmoving/Mining skills 	<ul style="list-style-type: none"> Construction Mine planning Earthmoving/Mining skills O&M

Local knowledge

International experience

Focused on success



Typical skills of contractor in the mining sector

- Mine Infrastructure
 - Processing / Beneficiation
 - Crushing / screening
 - Washing and Materials handling
 - Rail and haulage
 - Accommodation and messing
 - Power
 - Mine Design
 - Mine Optimisation, Design
 - Scheduling and Mine Planning (short, medium, long)
 - Mine Operation
 - Load and haul
 - Drill and Blast
 - Mine management and operations
 - Procurement
 - Dewatering
 - Safety, environmental and community systems and control

Local knowledge

International experience

Focused on success



Key reasons for using contractors

- Reduced requirement for capital
 - Contractors provide plant & equipment and working capital
 - Leads to improved return on funds employed for owner
 - Allow mine owner to focus on core business – finding new resources and bringing them to the market

- Reduced operating risk
 - Contractors manage workplace relations
 - Contractors provide cost certainty, ie fixed price per tonne
 - Contractors can provide local knowledge with international experience for remote projects

- Improved performance and efficiency
 - Contractors are absolutely cost competitive
 - Have access to large modern fleet
 - Bring industry leading knowledge and expertise
 - Bring purchasing power with suppliers
 - Have access to experienced resources and training
 - Can benchmark across numerous mine sites

Local knowledge International experience Focused on success



Contract delivery styles

CONTRACT STYLE	RELATIONSHIP FOCUS?	COMMENTS
Schedule of Rates	NO	Adversarial. Inflexible. Win/Lose result. Most risk with Contractor. Allows windfall gain for Contractor
Cost Reimbursable	YES	Single focused team. No windfall gain for Contractor. Unlimited flexibility for Principal. Ensure some margin at risk based on KPI performance. Best chance of Win/Win outcome.
Cost Plus	YES	Insufficient incentive for Contractor to perform. Greater potential for Win /Lose outcome.
Other Models – GMP, LS etc	Both	Not well suited to mining works. Well suited to construction construction phase of project

CONTRACTOR RISK

PRINCIPAL RISK

Local knowledge International experience Focused on success



Cross section of current and past projects



Masbate Mining and TSF

LOCATION:
Masbate Island, Philippines

CLIENT:
Filminera Resources Corp.

CONTRACT TYPE:
Relationship

CONTRACT VALUE:
US\$170m

COMMENCED:
April 2008

COMPLETION:
October 2014

Local knowledge

International experience

Focused on success



Cross section of current and past projects



Masbate Mining and TSF

LOCATION:
Masbate Island, Philippines

CLIENT:
Filminera Resources Corp.

CONTRACT TYPE:
Lump Sum, GMP

CONTRACT VALUE:
US\$80m

COMMENCED:
November 2007

COMPLETION:
February 2009

Local knowledge

International experience

Focused on success



Cross section of current and past projects



Rapu Rapu Polly metallic Process Plant

LOCATION:
Albay Province, Philippines

CLIENT:
Rapu Rapu Processing Inc.

CONTRACT TYPE:
Lump Sum

CONTRACT VALUE:
US\$32 million

COMMENCED:
July 2004

COMPLETION:
August 2005

Local knowledge

International experience

Focused on success



Cross section of current and past projects



Rapu Rapu Mining

LOCATION:
Albay Province, Philippines

CLIENT:
Rapu Rapu Minerals Inc.

CONTRACT TYPE:
Remeasurement

CONTRACT VALUE:
US\$45 million

COMMENCEMENT:
October 2004

COMPLETION:
September 2008

Local knowledge

International experience

Focused on success



Cross section of current and past projects



UHG Coal Mine

LOCATION:
South Gobi Desert ,
Mongolia

CLIENT:
Energy Resources LLC.

CONTRACT TYPE:
Relationship Contract

CONTRACT VALUE:
TBA

COMMENCEMENT:
October 2008

COMPLETION:
September 2014

Local knowledge

International experience

Focused on success



Cross section of current and past projects



Yandi Iron Ore Mine

LOCATION:
Pilbara, Western Australia

CLIENT:
BHP Billiton (85%), Itochu
(8%) Mitsui (7%)

CONTRACT TYPE:
Schedule of Rates – Full
Service Contracting

CONTRACT VALUE:
\$1B AUD

COMMENCEMENT:
September 2007

COMPLETION:
August 2012

Local knowledge

International experience

Focused on success



Cross section of current and past projects



Mt Keith Nickel Mine

LOCATION:
Leinster, Western Australia

CLIENT:
BHP Billiton

CONTRACT TYPE:
Alliance

CONTRACT VALUE:
\$793 AUD

COMMENCEMENT:
March 2003

COMPLETION:
July 2009

Local knowledge

International experience

Focused on success



Cross section of current and past projects



St Ives Gold Mine

LOCATION:
Kambalda, Western Australia

CLIENT:
St Ives Gold Mining (Gold Fields)

CONTRACT TYPE:
Alliance

CONTRACT VALUE:
\$196M AUD

COMMENCEMENT:
March 2002

COMPLETION:
2008 – extension pending

Local knowledge

International experience

Focused on success



Leighton Contacts

- Mark Bailey
Regional Manager Mining
Leighton Asia Limited
E: mark.bailey@leightonasia.com

- Bruce Gardiner
Country Manager - Mongolia
Leighton Asia Limited
E: bruce.gardiner@leightonasia.com

Local knowledge

International experience

Focused on success