

Ausenco acquires Pipeline Systems Incorporated



ASX Investor Presentation – 5 February 2008



PSI Acquisition

- Ausenco has agreed to acquire Pipeline Systems Incorporated (“PSI”)
- PSI is the world leader in engineering of long distance slurry pipelines
- Upfront purchase payment of US\$32.9 million (A\$37.4 million)
 - representing 6.6 times pro-forma 2007 EBIT
- Ausenco total personnel now exceed 1,500 people
- 70% of the 450 PSI personnel based in South America
- Corporate office in San Francisco supporting offices in Brazil, Chile, Peru, United States, Canada, China and Australia

PSI – The Industry Leader

- Engineering of:
 - Long distance **slurry pipeline systems**
 - Other **hydro transportation** systems including tailings pipelines, water delivery and reclaim systems
 - Controls systems related to slurry pipelines (SCADA), and
 - Controls integration and automation for various industrial processes
- Alternate transport method for bulk commodities in logistically challenging locations
- Since 1979, engineered over 75% of all long distance slurry pipelines in the world and over 90% of pipeline projects currently under design and/or construction
- Pro-forma EBIT US\$5.1 million for the year ended 31 December 2007
- Leading industry reputation, quality management team and earnings base
- 100% of revenue contracted on a low risk EPCM basis

PSI – The Industry Leader

- Clients include Vale, Xstrata, Codelco, Rio Tinto, Anglo American, BHP Billiton, Teck Cominco, Phelps Dodge, Barrick Gold, Newmont Mining, Antofagasta Minerals
- Offices in San Francisco, Lima, Belo Horizonte, Santiago, Vancouver, Tucson, Reno, Beijing and Perth
- North American presence, with expansive South American office network
- Current Chile and Peru business operated through a 50% joint venture
- Provides low impact environmental alternative material handling solutions
- Industries serviced include iron ore, bauxite, nickel, coal, phosphate and base metals
- Oil and gas expertise and experience transferable into other industry sectors

Ausenco – Strategic Diversification

- Provides Ausenco strategic diversification into process infrastructure sector
- PSI to leverage off Ausenco's project delivery strength to allow increased service delivery options thus potential for increased earnings
- Strong historic compound earnings growth, with significant cross benefits
- Sharing of infrastructure provides Ausenco the platform to expand its' existing minerals division network in the Americas
- Growing global pipeline market, with project opportunities expected to increase particularly in China, India and South America
- Market leader in niche sector with extremely high barriers to entry

Transaction Financials

- Upfront purchase payment of US\$32.9 million
 - Ausenco to assume approx US\$4.2 million of PSI working capital liabilities
 - Upfront payment represents a multiple of 6.6 times 2007 pro-forma EBIT
- Additional deferred consideration amounts payable:
 - In early 2009, on achieving agreed 2008 EBIT targets – US\$5.8 million
 - As part of any increase to 100% of the current South American joint venture, payable on a pro-rata valuation basis
- Acquisition immediately EPS accretive
- 80% purchase payments through issue of Ausenco ordinary shares to management shareholders
 - Balance of all payments to be funded from Ausenco cash flows
- Financial evaluation does not take into account any potential synergies

Integration Platform for Growth

- Group to retain PSI brand name, given strength in the market
- No management changes
- Sharing of common resources and infrastructure, where appropriate
- Early identification of increased geographic diversification and project opportunities
- Strong cultural alignment to allow ease of integration

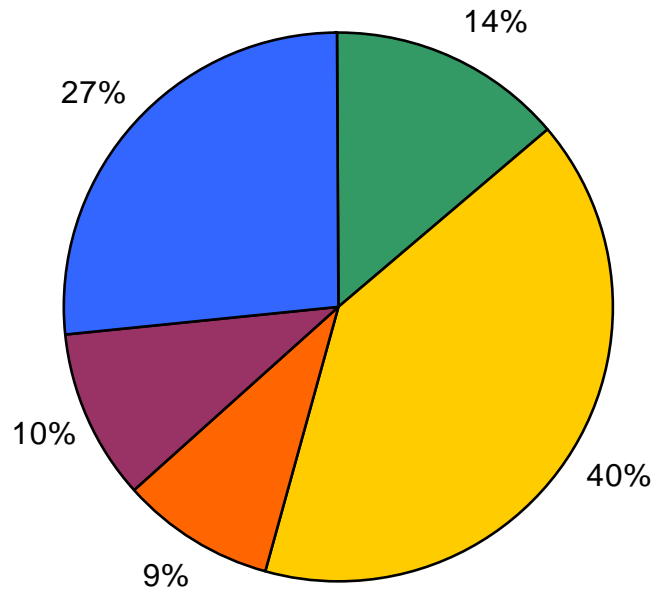
PSI Financial Performance

Pro-forma 31 Dec 07	US\$'000
Revenue	38,567
EBITDA	5,341
EBIT	5,064
<i>EBIT margin</i>	<i>13.1%</i>
Net profit before tax	4,718
Net profit after tax	3,067

- Consistently delivered excellent earnings growth over 20% annually
- Pro-forma 2007 EBIT US\$5.1 million, up from US\$0.9 million in 2006
- Ausenco assuming US\$4.2 million in working capital liabilities
- Growth resulting in increasing EBIT margins
- Natural hedge strategies to limit minimal foreign exchange exposures
- Access to additional capital will enhance existing expansion capabilities

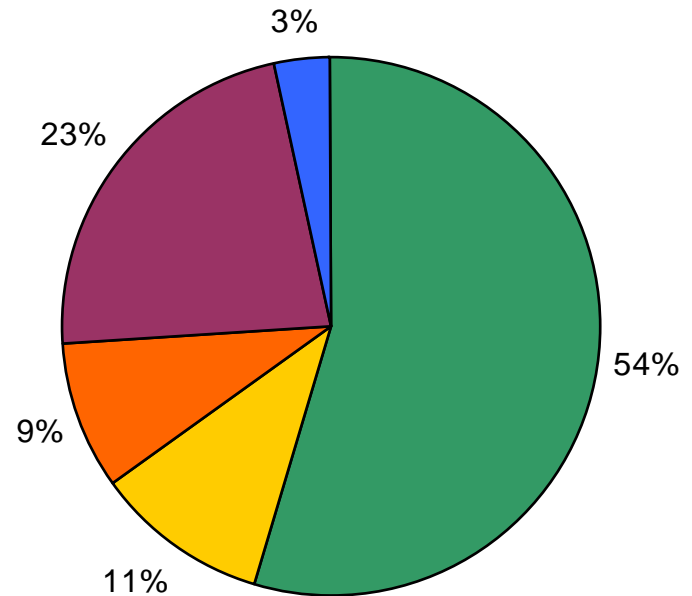
Revenue and People Combined Ausenco and PSI

Revenue by region



- Australia
- Asia
- North America
- South America
- Africa

Personnel by region



- Australia
- Asia
- North America
- South America
- Africa

Global Office and Project Locations



Current PSI Projects

- 525 km MMX Minas-Rio iron concentrate pipeline in Brazil
- 220 km Ambatovy nickel concentrate pipeline in Madagascar
- 171 km Da Hong Shan iron concentrate pipeline in China
- 395 km Samarco iron concentrate slurry pipeline in Brazil
- 57 km Los Pelambres tailings disposal pipeline in Chile



Samarco iron concentrate, Brazil



Da Hong Shan iron concentrate, China



Los Pelambres Copper Tailings - Chile

PSI Projects

“World’s first bauxite slurry pipeline”

Mineração Bauxita Paragominas



244 km bauxite slurry 24” diameter pipeline

Location: Brazil

Completed 2007

Client: (MBP now Vale)

Scope of Services

Conceptual design

Laboratory testing

Hydraulic modeling

Basic and detailed engineering

Construction management

Start-up and commissioning

Operator training



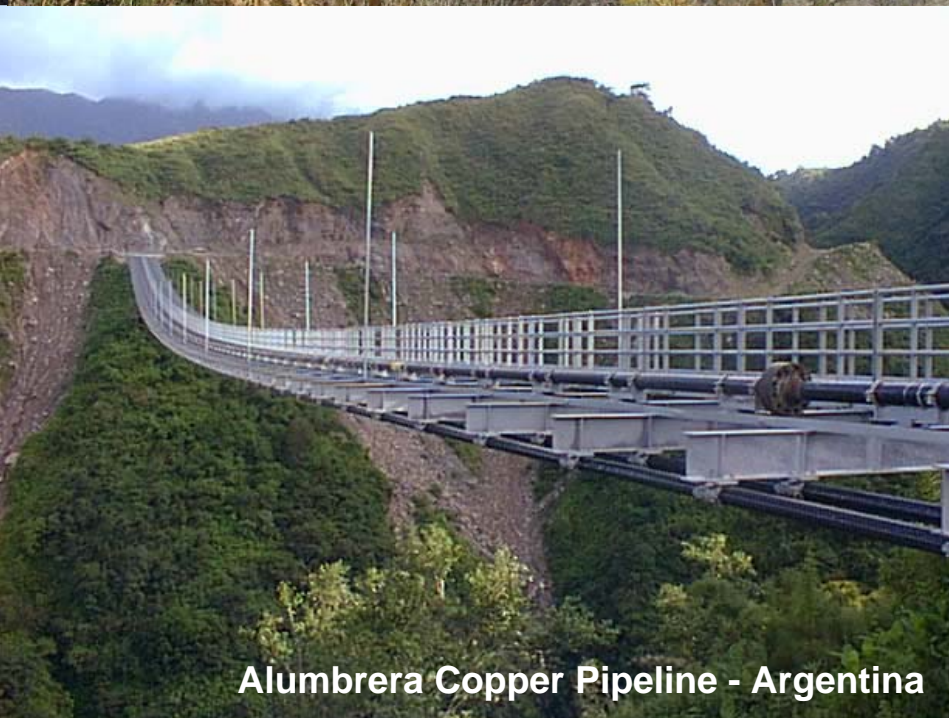
Galore Creek Pipeline - Canada



Kennecott Utah Copper Tailings - USA



CVRD Pipeline Slurry - Brazil



Alumbrera Copper Pipeline - Argentina

PSI Projects

“Complex topography”

Minera Alumbrera



312 km copper concentrate slurry pipeline, from an initial drop from Andean desert at 2400m to 1000m and then a rise to over 2500m at the pipeline midpoint

Location: Argentina

Completed: 1997

Client: MIM – now Xstrata

Scope of Services:

Conceptual design

Laboratory testing

Hydraulic modeling

Basic and detailed engineering

Construction management

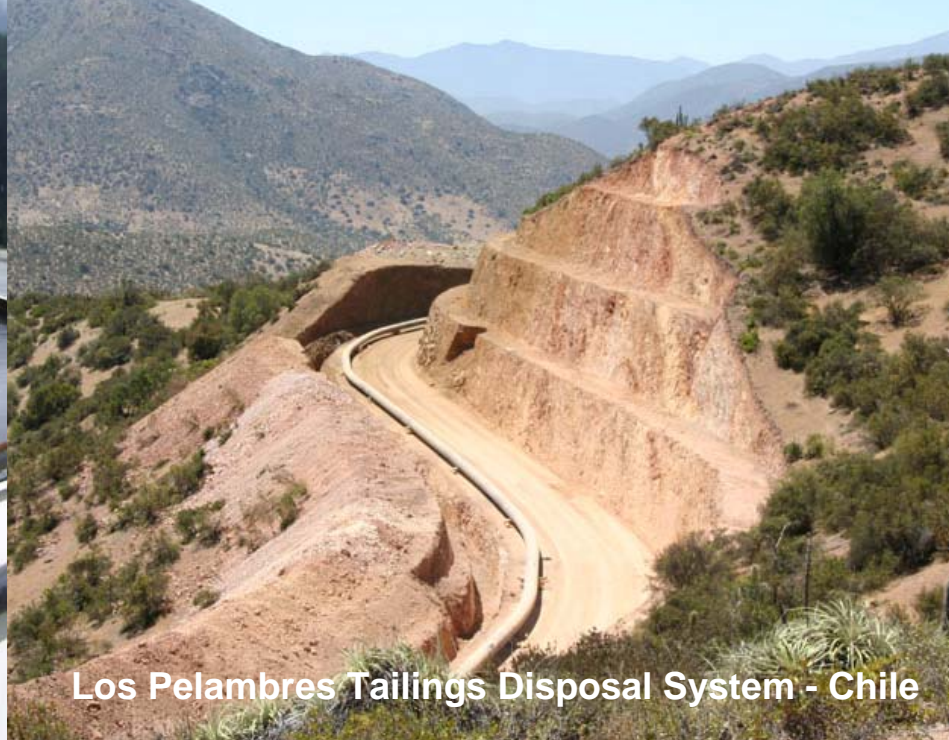
Start-up

Commissioning

Operator training



Myra Falls Thickened Tailings - Canada



Los Pelambres Tailings Disposal System - Chile



Tintaya copper tailings / reclaim pipeline, Peru



Lovett Gunderboom MLES - USA

PSI Projects

“Unique energy dissipation technology”

Minera Antamina



314 km copper and zinc concentrate slurry pipeline

Location: Peru

Completed: 2001

Client: BHP, Xstrata and Teck Cominco

Scope of Services:

Conceptual design

Laboratory testing

Hydraulic modeling

Basic and detailed engineering

Construction management

Start-up

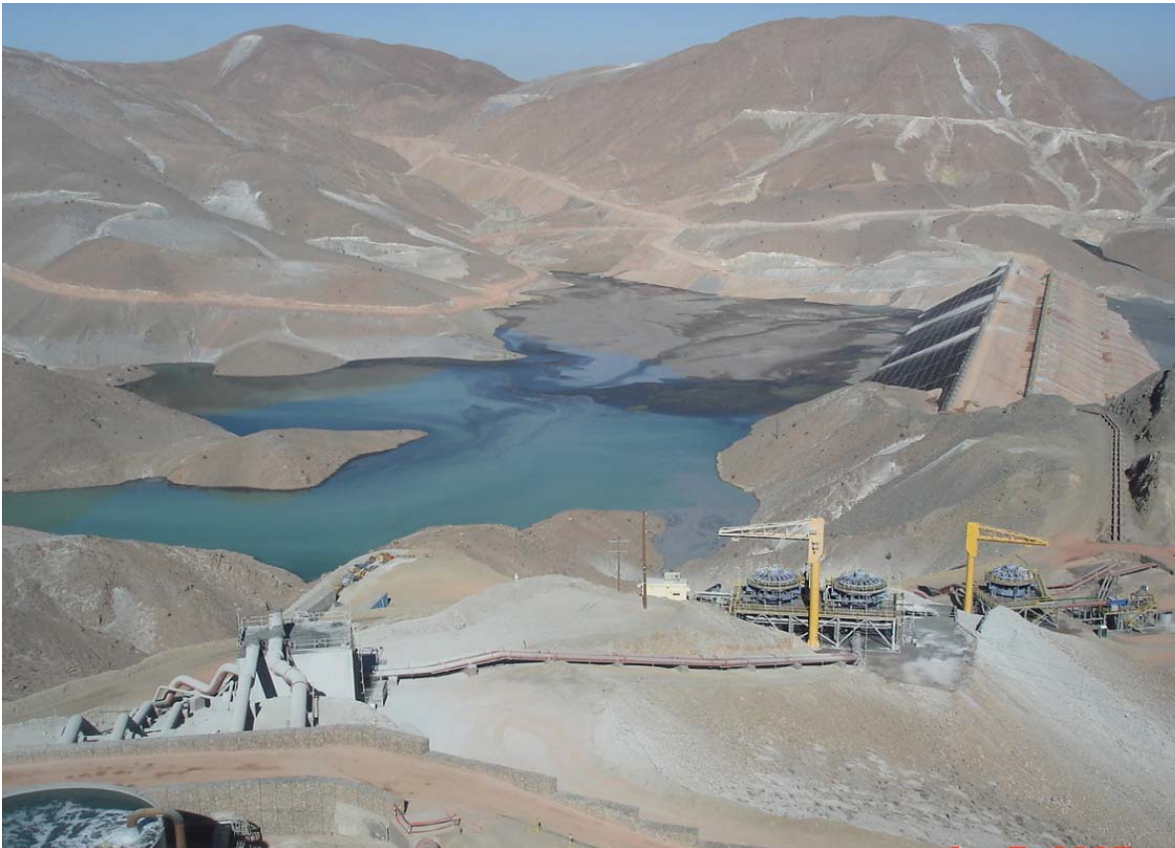
Commissioning

Operator training

PSI Projects

“World’s highest sand dam”

Cerro Verde Tailings Disposal System



10 km tailings launder and pipeline and reclaim water pipeline

Location: Peru

Completed: 2007

Client: Phelps Dodge

Scope of Services:

Laboratory testing

Hydraulic design

Cyclone station design

Pump station design

Basic and detailed engineering

Procurement support