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ASX/MEDIA RELEASE

***Ausenco acquires PSI to expand into process infrastructure sector***

Global engineering services provider Ausenco Limited (ASX: AAX) today announced that it has agreed to acquire the Pipeline Systems Incorporated ("PSI") group.

PSI is a multi-discipline engineering services business with the leading global position in the design and delivery of slurry pipeline transport systems (including long distance slurry pipelines and tailings disposal systems). PSI provides its clients with innovative materials handling and control solutions in logistically challenging environments.

The acquisition complements Ausenco's mining and minerals processing engineering services business and provides diversification into the process infrastructure engineering sector.

PSI provides services to a diversified client base primarily in the iron ore, bauxite, and base metal sectors. Operating since 1979 and employing over 450 people, predominately in South America, PSI has a network of offices in the Brazil, Chile, Peru, United States, Canada, China and Australia.

Ausenco's Chief Executive Officer, Zimi Meka said "PSI provides Ausenco with an outstanding opportunity to provide an expanded range of services to its clients through the acquisition of a business which is leading the industry in its market."

"We were attracted by PSI's track record of profitable growth, its experienced management team and the innovative solutions it provides for transporting bulk commodities over long distances in an environmentally low impact way. PSI's office network, particularly in South America, complements Ausenco's network. This will allow the combined group to provide its specialist engineering services and systems to a greater geographic region and to better benefit from the significant demand for these services in the global resources sector," he said.

PSI has been responsible for the engineering of more than 75% of the long distance slurry pipelines built in the world over the past 30 years (and over 90% of pipeline projects currently under design and/or construction). PSI is the world leader in this sector and its client list includes Vale, Xstrata, Codelco, Anglo American, Rio Tinto and BHP Billiton. Pipeline projects recently completed or currently underway include the 395 km Samarco iron concentrate pipeline in Brazil, the 244 km Mineracao Bauxita Paragominas bauxite pipeline in Brazil, the 220 km Ambatovy nickel concentrate pipeline in Madagascar, the 200 km Da Hong Shan iron concentrate pipeline in China and the 314 kilometre Antamina copper concentrate pipeline in Peru.

PSI has also recently been awarded the 270 km slurry pipeline for the Extension Hill iron ore project in Western Australia. As part of the Ausenco group it is expected that PSI will be able to further expand in the Australian and Asian markets and deliver its services to many new project opportunities that exist in the region.

Providing significant client and geographic cross benefits, the combined group will be ideally positioned to gain from of PSI's pipeline engineering expertise and Ausenco's size, financial strength and project management experience.

The upfront purchase price of US\$32.9 million represents a multiple of 6.6 times PSI's pro-forma EBIT (earnings before interest tax) for the 12 months ended 31 December 2007. An additional purchase consideration of US\$5.8 million is payable in March 2009 if agreed EBIT targets for 2008 are achieved. On completion Ausenco will also assume US\$4.2 million of PSI's working capital liabilities. Completion is expected by mid February 2008.

PSI currently operates in Chile and Peru through a 50% joint venture. In the event the 50% interest in the joint venture held by a third party is acquired, an additional purchase consideration will be payable on a pro-rata valuation basis.

All purchase payments are to be funded from a mix of new Ausenco shares, to be issued to the PSI shareholders, and available cash.

Mr Ron Derammelaere, President of PSI, commented that "This is an excellent opportunity for PSI to take advantage of Ausenco's financial strength and to grow both geographically and by providing additional services to its clients. We also believe it will provide all PSI employees with a broader and deeper range of career and professional development opportunities across the mineral resources industry."

Mr Derammelaere will continue to be responsible for PSI's global operations. Key PSI senior management have committed to remain with Ausenco for a period of at least three years.

On completion of the transaction Ausenco will employ approximately 1,500 personnel operating from 17 offices in 10 countries.

Mr Meka also commented "I am excited to announce this acquisition and am looking forward to working with a team that is a strong cultural fit with Ausenco. Most importantly however, is the increase in the services and capabilities that Ausenco will be able to offer to its clients to meet their current and future needs. It has long been the desire of Ausenco to diversify into process infrastructure and, with PSI being a world leader in this area, this transaction will provide the combined group with significant growth potential."

Zimi Meka  
Chief Executive Officer

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### **About Ausenco Limited**

Ausenco is a leading process engineering and project management services provider to the minerals and resource industries. Within the key resource industries Ausenco's global specialist expertise delivers innovative solutions for its clients across a full project lifecycle, from preliminary scoping studies, through innovative engineering to project operation.

Focused on delivering on its purpose and strategic growth initiatives, Ausenco is working to build upon its key minerals industry experience through project delivery and alliances to grow a sustainable business in the process infrastructure and related resource industries.

## **About Pipeline Systems Incorporated**

PSI is recognised as the world leader in engineering and design of state-of-the-art, long distance slurry pipeline systems. PSI is also involved in the engineering and design of other types of hydro transportation systems including tailings pipelines, water delivery and reclamation systems and control and automation systems (including control systems for purposes other than hydro transportation).

PSI works with companies such as Vale, Xstrata, Codelco, Teck Cominco, Rio Tinto, Phelps Dodge, Barrick Gold, Newmont Mining, Antofagasta Minerals, Anglo American and BHP Billiton. PSI has participated in major pipeline projects and studies in more than fifty countries and maintains offices on four continents.