

KARARA PROJECT AWARDS ELECTRICAL & INSTRUMENTATION CONTRACT TO DOWNER EDI

Gindalbie Metals Limited (ASX: **GBG** – “Gindalbie”) is pleased to announce the award of the Electrical & Instrumentation (E&I) contract for the iron ore processing plant at the Karara Iron Ore Project in Western Australia to Downer Australia, a unit of the leading ASX-listed engineering and infrastructure management services group Downer EDI Limited (ASX: DOW).

The contract, which has a total estimated value of A\$64 million, entails electrical and instrumentation works for the 8Mtpa magnetite concentrator and, together with the main Structural, Mechanical and Piping (SMP) contract awarded in August, represent the final major construction contract packages to be awarded for the Karara Project.

The E&I work requires a workforce of more than 260 people plus 36 supervisors, boosting the peak number of personnel on site at Karara to close to 2000.

Procurement of long-lead items required for the E&I contract is already underway and mobilization to site has already commenced.

Downer EDI will be working alongside the SMP contractors AGC Industries Pty Ltd and Programmed Construction and Maintenance Pty Ltd.

The SMP and E&I work involves construction of the main concentrator buildings, mechanical installations, installation of the structural steel, installation of piping and conveyors and provision of power and instrumentation to the equipment that will enable the stage wise commissioning of various components of the main concentrator to commence in the June Quarter 2012, ahead of the scheduled first shipment of magnetite concentrate in the September Quarter 2012.

Gindalbie’s Managing Director, Mr Tim Netscher, said he was pleased to announce the award of the E&I contract to Downer EDI, one of Australia’s leading listed engineering and infrastructure management services companies.

“The SMP activities have already seen a rapid transformation of the landscape at Karara as the key parts of the concentrator come together,” he said. “The E&I contract represents the final step in constructing the processing plant, prior to commissioning this world-class iron ore processing facility.”

“With both the E&I and SMP teams working at full capacity by early next year, the Karara Project will ramp up to its peak construction activity levels with well over 1500 personnel on site. This is a very exciting time as we move into the final phase of project delivery.”

ENDS

Released by :

Nicholas Read
Read Corporate
Telephone: (+61-8) 9388 1474
Mobile: (+61) 419 929 046

On behalf of:

Mr Tim Netscher
Managing Director & CEO

Mr Michael Weir
Investor Relations Manager
Telephone: (+61-8) 9480 8700
www.gindalbie.com.au