

MEDIA RELEASE

Coffey announces two project management acquisitions, claiming capital city presence across Australia and continuing its international expansion

(Melbourne Australia, 20 November 2006): Coffey International Limited (ASX:COF) today announced the acquisition of two specialist project management firms: Haralambous Dowse and Associates in Canberra and Duncan Rhodes in South Africa.

Coffey will pay a total of \$6.2 million for the two businesses, consisting of \$3.3 million in cash and \$2.9 million in shares. Completion of both transactions is expected to take place within the next month once certain conditions precedent have been satisfied.

Haralambous Dowse is a dominant and established property development consultancy that provides development and project management and client advocacy services to the private and public sectors, both locally and throughout the Commonwealth. Coffey will pay \$3.2 million for the business, consisting of \$1.8 million in cash and \$1.4 million in shares.

Duncan Rhodes is a leading South African project management business that provides professional project, construction and procurement management services to the institutional, corporate, public and private sector markets, predominantly in Southern Africa.

Coffey will pay \$1.5 million in cash and \$1.5 million in shares for a 51 per cent holding in Duncan Rhodes. Black economic empowerment group Kagiso Property Holdings will acquire 30 per cent and the remaining 19 per cent will be retained by the vendors. Coffey has an option to acquire this 19 per cent.

Haralambous Dowse and Duncan Rhodes will both become part of an integrated Coffey project management division which currently comprises the Clifton Coney Group (CCG).

“These acquisitions provide a strong platform from which to continue to grow Coffey’s project management capability into a substantial division in its own right,” said Coffey managing director, Roger Olds.

“The acquisition of Haralambous Dowse places us at the heart of Australia’s government decision-making,” Olds continued.

“Securing Coffey’s presence in South Africa via the Duncan Rhodes acquisition is an important step in establishing our growth into that time-zone, which includes India and the Middle East. With strong economic conditions and rapidly emerging infrastructure development markets, the region has great growth potential and provides exciting prospects for Coffey.”

Coffey and Haralambous Dowse

Haralambous Dowse was formed in June 2004 by Harry Haralambous and John Dowse who, along with their senior staff, have operated in construction and property markets in the Canberra region for more than 20 years. The business currently has 14 staff.

“A local presence in Canberra will improve our position as a supplier of choice for large government projects as we will be able to more efficiently and effectively mobilise the greater number of resources and specialist expertise that they require,” said CCG chief executive officer, Peter Coney.

“In addition, we will now be able to provide the depth of expertise and resources of Haralambous Dowse as a local Australian Capital Territory project management service to CCG’s national clients that have service needs in the region.”

“The increased inter-state presence will deepen our resources, better enabling us to provide the services our clients have come to expect,” said Haralambous Dowse director Harry Haralambous.

“We will also be able to draw on the CCG expertise available both nationally and internationally to add value, by enhancing the quality and return to our clients’ projects. This means we are capable of taking on more work.”

Coffey and Duncan Rhodes

The Duncan Rhodes acquisition is Coffey’s second investment in South Africa, following its acquisition in September 2006 of mining consultancy RSG Global Consulting.

South Africa not only has a booming resources sector but is also predicted to experience significant growth in its infrastructure sector in the lead-up to the Football World Cup in 2010. The acquisition of Duncan Rhodes positions Coffey to benefit from this opportunity.

“Duncan Rhodes and the CCG are similar businesses and share core expertise in large, complex private sector projects. Duncan Rhodes stand to benefit substantially from CCG’s large international resource base and our proven expertise in urban renewal, land development and large sporting complexes such as the Melbourne Cricket Ground,” said CCG chief executive officer, Peter Coney.

Duncan Rhodes currently has 15 staff located in Johannesburg. It is jointly managed by Mike Duncan and Russell Rhodes who founded the company in March 1995. Both are very excited by the new phase of their career within the broader Coffey group.

“By joining Coffey, Duncan Rhodes will benefit from CCG’s global project management expertise and resource base. And partnering with Kagiso will position the new entity to participate fully in the strong economic growth of the new South Africa, and Southern Africa as a whole,” said principal of Duncan Rhodes, Mike Duncan.

“Coffey’s partnership with Kagiso, bolstered by the benefit of the unification between experienced international groups and experienced local management, is an ideal alignment of purpose and values that will see both companies better positioned to achieve their vision of improving the lives of world communities,” he continued.

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About Coffey International Limited

Coffey International Limited has a vision to improve the lives of world communities by providing both physical and social infrastructure solutions to business, government and development assistance agencies.

Coffey employs around 1,900 people and is one of Australia's largest service providers to the Asia Pacific Region.

Coffey International Limited is listed on the Australian Stock Exchange and is part of the S&P ASX 300 and small companies' indices.

Visit www.coffey.com.au for more information about Coffey.

Roger Olds is available for interview. Company background and profile is also available.

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