



## MAC Services to Build for Rio

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The [MAC Services Group Limited \(MSL\)](#) said it would develop a 300-person accommodation facility near Gladstone, Queensland for [Rio Tinto Limited \(RIO\)](#). The company also said it would conduct a share placement to raise approximately \$45 million to fund future development.

MAC Services said the Queensland facility would accommodate personnel from Rio's Yarwun 2 project.

The company also said it had entered into an agreement with the BHP Billiton Mitsubishi Coal Alliance ("BMA") for the development of an additional 350 rooms at Coppabella for workers involved in the new Daunia coal mine at the Bowen Basin.

The take or pay contract with BMA is for a term of three years with a minimum use of not less than 60% of contracted rooms.

The MAC said the increase in planned room roll-outs in the Bowen Basin, along with the new 300 room accommodation village at Gladstone would increase the group's total planned new rooms for fiscal 2009 from approximately 1,000 to approximately 1,450.

"The MAC now expects to have approximately 5,700 rooms by 30 June, 2009, an increase of 34% on the 4,245 rooms at 30 June, 2008," the company said.

"The addition of client agreements for new rooms when aggregated with the extension or rollover of existing contracts has increased the proportion of rooms contracted for FY2009 to 74% compared to 66% announced with our FY2008 results."

The company added that it would undertake a placement of approximately 20 million new shares to institutional investors to raise approximately \$45 million.

The placement is to be undertaken via a bookbuild and is fully underwritten by Goldman Sachs JBWere and Ord Minnett.

"The funds raised from the placement will be used to initially repay the majority of The MAC's existing debt and to fund the development of new accommodation villages, including the new accommodation village at Gladstone, and the expansion of existing accommodation villages in the Bowen Basin," the company said.

"Following the completion of the placement and prior to the deployment of capital for the construction of the new accommodation village at Gladstone and other room expansions, The MAC will have approximately \$100 million in expansion capacity within existing approved debt facilities."

At 1527 AEST, shares in **The MAC Services Group** were unchanged at **\$2.50**.