

MUR - Murray & Roberts Holdings - The South African Power Situation

28 Jan 2008

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MURRAY & ROBERTS HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

Registration number 1948/029826/06

JSE Share Code: MUR

ISIN Code: ZAE000073441

("Murray & Roberts" or "Group")

THE SOUTH AFRICAN POWER SITUATION

Approximately two thirds of Murray & Roberts business activity occurs within South Africa, which has been subjected to an irregular and unscheduled spate of electricity shedding by state power utility Eskom since mid-January 2008.

Although disruptive on most of the Group's domestic operations, public statements by Eskom and the South African government gave confidence that some level of normality would return with a proper power management plan and the return to service of significant capacity currently undergoing scheduled and unscheduled maintenance.

However, the electricity supply problem reached a crisis on Friday 25 January 2008 following which most of the Group's underground mining contracting operations were suspended for safety reasons and electricity supply to the Group's CISCO plant in Western Cape was suspended for an estimated 3 to 4 weeks. The national electricity supply system has stabilised at a lower level of demand with less evidence of load shedding and the Group's remaining domestic operations are currently operating normally.

The Group's South African underground mining operations have currently resumed at about two thirds of capacity. The Group has resolved to pursue its contracted rights to recover to the extent possible in all its South African businesses, the cost and time impact it has or will suffer as a consequence of the current electricity supply problems being experienced.

The Group has mobilised standby generation capacity to many of its project sites and most of its business units had installed such capacity following previous power outages. There are ongoing discussions with clients and Eskom concerning the guarantee of an uninterrupted supply of electricity to those projects dedicated to the 2010 Soccer World Cup.

Eskom has stated that the current crisis requires between three and four weeks to resolve. Unless otherwise indicated an update will be given by the Group on Wednesday 27 February 2008 on publication of its interim half-year results for the period to 31 December 2007.

Murray & Roberts has secured the construction contract to Hitachi for both the Medupi and Bravo boiler contracts (12 units of 750MW) collectively valued at about R15 billion. The Group is also a contender for the Medupi civil construction contract (about R2,5 billion) and the Ingula pumped storage underground construction contract (about R6,5 billion) plus associated works (about R1,0 billion), all of which are currently under adjudication by Eskom. The Group in partnership with Westinghouse and Shaw Group from the United States will submit a proposal for a first nuclear power plant and fleet option on 31 January 2008.

Johannesburg

28 January 2008

Sponsor:

Merrill Lynch South Africa (Pty) Ltd

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