



COMPANY ANNOUNCEMENT

25 September 2009

New Contract Win and Operational Update

GRD Limited (ASX:GRD) is pleased to advise the market of a new contract win and also provide an update on both its ongoing operations and the proposed Scheme of Arrangement with AMEC plc.

GRD Minproc awarded contract for Cape Lambert Iron Ore Project

GRD's core engineering and project delivery business GRD Minproc has been awarded the contract for overall management of the feasibility study for the Cape Lambert Iron Ore Project in Western Australia.

The contract has been awarded by MCC Australia Holdings Pty Ltd (MCCA) and the study will be led by GRD Minproc's Perth office, in joint venture with international professional services company GHD Australia Pty Ltd.

MCCA plans to develop an iron ore mine with an initial production capacity of 15 Mt/a of magnetite concentrate from iron ore deposits 20 kilometres east of Karratha.

GRD Limited Chief Executive Cliff Lawrenson said the contract award was a further strengthening of GRD Minproc's relationship with MCC and, in particular, recognition of the support and capability the company could offer to MCC's expanding role in Western Australia's magnetite sector.

MCC is also the EPCM contractor for the Sino Iron Project, where GRD Minproc is working with Chinese design institute NETC to provide engineering services for the project's processing facility.

"GRD Minproc remains focused on its technical expertise in commodities such as uranium, copper and gold, but continues to carve out a presence in the iron ore sector, with work underway on magnetite and hematite projects in Australia, South America and Africa," Mr Lawrenson said.

Current Market Conditions

Mr Lawrenson said that general market conditions for GRD Minproc remained very challenging, especially in the near term.

"In the recent release of our financial results for the first half of 2009, we reported a reduction in GRD Minproc's revenue for the opening six months of the year," he said.

"Trading conditions have been more challenging than expected so far in the second half of 2009 and as a result we believe the second half group profit will be below the profit recorded in the first half of 2009.

"The slower than expected ramp-up of secured jobs combined with the ongoing delay in companies committing to large projects is placing pressure on our revenue stream; however, GRD Minproc continues to aggressively pursue additional project delivery work.

"While the short to medium term outlook remains uncertain, the potential for increased momentum on existing projects and ongoing and new study work provides greater optimism for the 2010 financial year."



AMEC Proposal

Mr Lawrenson said further key milestones had been reached in the process of proceeding to shareholder vote on the proposed acquisition of GRD by UK-based AMEC plc (AMEC), via a scheme of arrangement.

As part of the process, the Scheme Booklet for shareholders has been lodged with the Australian Securities and Investments Commission (ASIC) and the Company will go to the Federal Court in early October to request an order to convene a shareholders meeting to vote on the scheme of arrangement, which is proposed for early November.

AMEC has already advised that Foreign Investment Review Board approval has been granted.

The Directors of GRD have each recommended that shareholders vote in favour of the Scheme in the absence of a superior proposal and subject to the Independent Expert's Report concluding that the proposal is in the best interests of GRD shareholders.

ENDS

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About GRD

GRD Limited is an Australian engineering and development company.

www.grd.com.au

GRD Minproc, a wholly owned subsidiary of GRD Limited, is a leading global engineering and project delivery business providing high value services and specialising in the design, procurement and construction of mineral resource and waste-to-resources projects.

The company's process engineering and project record are internationally recognised with extensive experience gained in copper, gold, uranium, nickel and iron ore.

Global Renewables is a UK based development company specialising in the recovery of resources from municipal solid waste. Global Renewables is currently undertaking the Lancashire Waste Partnership PFI Project, one of the largest waste contracts of its type in the United Kingdom.