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Company Announcements Office
Australian Stock Exchange Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

Dear Sir,

**Re: Thiess and John Holland consortia shortlisted to build Victorian
Desalination Plant**

Please find attached a copy of a media release issued yesterday by the Victorian Government.

Yours faithfully
LEIGHTON HOLDINGS LIMITED

ASHLEY MOIR
Company Secretary



TWO CONSORTIA SHORTLISTED TO BUILD DESALINATION PLANT

Tuesday, 30 September 2008

The Brumby Government has today released a shortlist for the design, construction, financing, operation and maintenance of Victoria's Desalination Plant Project.

The desalination plant, the largest in Australia, will be delivered as a Public-Private Partnership, which includes construction and operation of the desalination plant, an 85-kilometre transfer pipeline, delivery of power supply for the project and the purchase of renewable energy.

The two shortlisted bidders are:

- AquaSure comprising Degrémont, SUEZ Environnement, Macquarie Capital Group and Thiess; and
- BassWater comprising Veolia Water, John Holland and ABN AMRO Australia.

Water Minister Tim Holding said the shortlist had been decided following a stringent process to evaluate eight applicants who responded to an Expression of Interest (EOI) that closed in July.

"The Brumby Government is providing a non-rainfall dependent source of water for Melbourne, Geelong and towns in Western Port and South Gippsland," Mr Holding said.

"The two consortia selected have strong construction, financial, technology, environmental management and architectural experience particularly in building desalination plants.

"These are two of the world's leading desalination companies and both consortia have demonstrated their capability in building and operating large desalination plants in Australia and overseas.

"While the consortia are made up of highly skilled overseas companies with vast experience in desalination technology, the majority of the construction and subsequent labour force will be Australian-based."

The desalination plant will provide 150 billion litres of water a year and be operational by the end of 2011 with the potential to increase to 200 billion litres in the future.

The two short-listed proponents will now develop competitive bids as part of the Request for Proposal process and submit them to the Victorian Government's Desalination Project Team. These submissions are due in March 2009.

The Desalination Plant Project contract will be awarded by mid-2009.

Preliminary works are continuing at the site in Wonthaggi to develop a seawater sampling plant and to determine the location for the inlet and outlet pipes for the plant.

Public submissions close today for the Environment Effects Statement (EES).

Source: <http://www.premier.vic.gov.au/minister-for-water/two-consortia-shortlisted-to-build-desalination-plant.html>