



COMPANY ANNOUNCEMENT

10th July 2006

International Energy Services expands into specialty transport for the mining sector

International Energy Services, is expanding into specialty transport for the mining sector through the acquisition of Ross J. Kiernan Tipping Transport Pty Ltd. The acquisition will increase IES's revenues to over \$270 million, and consolidate its position as a leading specialized transport company.

International Energy Services, through its Cootes Transport Group subsidiary, is Australia's leading fuel and gas road transport operator, transporting approximately 50% of Australia's petrol and 90% of Australia's liquefied petroleum gas (LPG) for retail distribution. Cootes employs 650 drivers operating 320 vehicles nationwide.

Kiernan is the dominant operator in the road transport of resource products in North Queensland, servicing major mining operations in the Mt. Isa region. Kiernan's key customers include **BHP, Xstrata, Kagara Zinc, Zinifex, Placer Dome and Barminco**

"The acquisition of Kiernan will allow IES to service Australia's rapidly expanding resource sector with specialty transport services, both in the transport of minerals, and in the transport of fuel and other dangerous goods".

The Kiernan business is a great fit with IES, adding scale, outstanding customer relationships, and significant synergies. This acquisition gives IES exposure to a higher growth segment of the specialized transport market.

The acquisition represents a major strategic step-out for one of Australia's leading specialty transport companies.

Vin Stenta, the Managing Director of IES said, "there will be significant benefits to Kiernan's customers in the acquisition."

"The mining sector demands compliance to very high occupational health, safety and environmental standards, as do our existing customers. The acquisition of Kiernan strengthens our commitment to being global best practice in this area by leveraging off the Cootes Transport Group subsidiary."

“We are also very pleased to be partnering with a very experienced management team at Kiernans. This will ensure IES maintains the currently high level of service to our existing customers,” Vin Stenta said.

“The entry into resource logistics will result in significant synergies with IES’ existing dangerous goods transport business,” Mr. Stenta said. “Importantly, it will also allow IES to offer a broader range of transport services to its existing customers, and for mining companies, IES can now provide integrated solutions for both their dangerous goods and mineral products transport requirements.”

Nat Childres, IES Director said, “IES Group revenues (including Kiernan) have increased by over 45% since CHAMP acquired the business in 2005. We are currently pursuing several other attractive bolt-on acquisitions that will provide major strategic benefits to the group.”

A handwritten signature in black ink, appearing to read 'V. Stenta', with a long horizontal flourish extending to the right.

VIN STENTA
Managing Director