

ANNOUNCEMENT

Date: 11 August 2009

Legend International Holdings Inc. Announces Transport Services Memorandum of Understanding with P&O Trans Australia to service North Queensland Operations

Legend International Holdings, Inc (Legend) is pleased to announce that it signed today a Memorandum of Understanding with P&O Trans Australia for haulage and handling services associated with Legend's Georgina Basin Phosphate project.

This MOU will guide contract negotiations worth approximately \$40 million during the first year of operations and up to \$3bn over the life of a twenty year agreement.

Managing Director of P&O Trans Australia, Mr. Paul Digney said of the tender process that POTA was determined from the outset to offer Legend and P&O Trans Australia today signed a Memorandum of Understanding for haulage and handling services associated with Legend's Georgina Basin Phosphate project.

"We are fortunate to have developed a solid team with both youth and experience combined. Our people went to great lengths, including international travel to source suitable locomotives and rolling stock to service this new and important project for Queensland." said Mr Digney.

Speaking on behalf of Legend, President and CEO Mr. Joseph Gutnick cited POTA's commitment to flexibility as a key factor in the appointment. Mr Gutnick said: "This is a staged project, commencing late 2009/early 2010 with an annual volume of between 0.5 and 1 million tonnes per annum which, with the construction of several key components of infrastructure will rapidly increase to up to 5 million tonnes per annum."

POTA was the only bidder to offer a packaged suite of services, designed to flow seamlessly between Stage 1 packaged material and the shift to bulk haulage during Stage 2.

Legend's tender process was to identify suitable operators with the ability to carry out significant bulk operations in remote areas. POTA's bid included:-

- Road cartage from D-Tree and Paradise North tenements, both located approximately 160 kilometres from the deposit to the rail head in Mount Isa;
- Rail haulage from Mount Isa to Port of Townsville, approximately 1,000 kilometres; and;
- Various storage and material handling tasks.

Mr Gutnick said that Legend has been in extensive negotiations with QR Network, the below rail manager on the Mount Isa to Townsville network and he was confident that capacity would be made available. “We have been assured that there is in excess of one million tonnes per annum capacity available right now on the line and also that QR welcomes the introduction of a second above rail operator” said Mr Gutnick.

“Legend will continue to work closely with State and Federal agencies to ensure that enabling infrastructure such as the Eastern Access Corridor Railway in Townsville is delivered and that the 1,300 jobs associated with Stage 2 of the project are forthcoming”

In response, Mr Digney said that for the initial contract components, approximately 50 new jobs would be created in POTA, split between Mount Isa and Townsville.