

08

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Update

During the last 6 months we have been working on a re-commissioning project for Methanex at their Motunui Methanol Plant in Taranaki. The plant was closed down some years ago and CR was probably the last contractor to leave site then, after mothballing the reactors. It is now being re-commissioned for a start up in September.

From my perspective this has been quite a poignant project, because it brought together a group of CRs earliest employees (and there were very few), including Project Director Gray Gardner, Project Supervisors Steve Lindsay and Steve Oakley and me. Motunui is also the site where a number of others in the company met for the first time. Notably Houston based Director Trevor Penny, Chief Executive Andrew Wells, Training Manager Mike Fitzpatrick, Taranaki Manager Andrew Christie and Project Supervisor Paul Dravitzki.

I am immensely proud that these people continue to be associated with CR. It is 19 years since the company founded with no resources to speak of and I must admit not much of a business plan. In the ensuing period we have survived a number of financial crises and disappointments, not the least of which was the Asian currency crisis in 1998 and the break up of our Asian business in 2001.

The people mentioned can tell a thousand stories about events over the years. Most of these are better untold! However, it is healthy to look back and see why the company has survived and prospered. And we have done this with an enviable safety record and a reputation for delivering exceptional service. It really comes down to an incredible work ethic and the loyalty shown by everyone concerned. Hopefully as we continue to grow, this culture continues and spreads. With more than 300 employees it is a big ask and we don't work in a glamorous industry. The founding shareholders are still passionate about CR and we hope this enthusiasm helps all employees enjoy the challenges and frustrations of this business.

I look forward to catching up with everybody as the opportunities arise.

Bill Stretton

Photo - the Motunui team



New Employees

Chris Lawrence

Technical Manager Chemical Solutions - Adelaide

Chris is responsible for the development and implementation of strategies to grow our Chemical Cleaning business in target markets throughout Australia. Chris reports to Richard Visscher, General Manager and is based in our Adelaide Office.



Photo - Chris Lawrence

Glenn Muriti

Chemical Cleaning Supervisor - West Coast

Glenn Muriti joined CR from SAS water in Sydney being part of the chemical and water treatment team, Glenn was approached by CR to join this challenging market of Chemical solutions and was excited with the new challenge ahead.

Glenn spend numerous years working in the water industry on many sites - sites like, BHP, Shell, Camalco providing solutions for coal mines and as a consultant in their water treatment process.

One of his main tasks was dealing with chemical supplier advising them on their treatment of pipe work and site water towers - always looking at better ways of doing this kind of chemical work. "solutions"

Glenn worked at Veolia in NSW for 8 years as technical representative in water treatment in a project management role.

Since joining CR has taken on the challenge of working with a close team in the refinery decontamination and mercury detection area, he provides experience in chemical pasivation work on site and is now a key asset to CR Australia.

Sport and hobbies - avid shooting, and restorers of antique rifles!!! (that's a worry)



Photo - Glenn Muriti

Neil Mahoney

Chemical Cleaning Supervisor - East Coast

Neil Mahoney has joined Contract Resources in the role of Chemical Cleaning Supervisor for the East Coast. Neil spent a number of years with Maxwell Water Care in Queensland and more recently has held account and business development roles with Baker Petrolite Australia. Neil's focus will be on the client development and project management of our Chemical Cleaning division on the East Coast. Neil will be based at our Brisbane Office.



Photo - Neil Mahoney

Kevin Locker

House Compliance Officer - Adelaide

We are pleased to welcome back Kevin Locker to the Contract Resources team. Kevin was with CR in our Adelaide Workshop until 2006 and has now returned to assist in the Asset Department. Kevin is responsible for the monitoring and control of company registered assets (hoses) to ensure inspection/testing



Photo - Kevin Locker

Don Cunningham

SA Workshop Supervisor - Adelaide

We are pleased to announce that Don Cunningham has joined Contract Resources in the role of Workshop Supervisor. Don operated his own welding and fabrication business for over 20 years and most recently held a Business development role with another local fabrication firm.

Jeremy Nightingale

Equipment Planner & Logistics Coordinator - Adelaide

Jeremy will be based in the Adelaide office and will be responsible for the planning and movement of our equipment to and from our project sites. Jeremy joins us with nearly 20 years experience in the warehouse, distribution and logistics industry and has previously worked with DHL Express, Skyroad, AWDS and The Aird Group

Zoe Sin

Environmental Services Coordinator - East Coast

Zoe has replaced Mike Daniels who is now the Site Manager at the Caltex Lytton Refinery, QLD. She will continue with the development and implementation of environmental programs to provide ongoing improvements and efficiencies for Shell Clyde. Zoe will report to our Shell Clyde Site Manager, Suzanne Gaffney.

Sandra Stewart

Administration Assistant - Darwin Office

We are pleased to announce that Sandra Stewart has accepted the role of Administration Assistant based in our Darwin Office. Sandra has a strong administration background and will provide valuable support to Brendan Johnson and his team as they build the NT business.

Jennifer Morgan

Administration Assistant - Caltex Kurnell NSW

Jenny has recently commenced as the Administration Assistant based at the Caltex Kurnell Refinery in Sydney, NSW. Jenny has previously worked at Kurnell and will provide much needed support as we further develop our presence at this site.

Peter Konchenko

Site Coordinator Caltex Kurnell - NSW

Peter joins us from a role as an Industrial Shutdown Manager with a major Plant and Equipment supplier where he has been responsible for the coordination and pricing of key industrial turnaround projects. Peter's experience and industry knowledge will ensure that we can build on the good results that Reno Panozzo and his team have achieved over the last 18 months.



Photo - Don Cunningham



Photo - Jeremy Nightingale



Photo - Zoe Sin



Photo - Sandra Stewart



Photo - Jennifer Morgan



Photo - Peter Konchenko

New Employees cont.

Paul Coleman

Regional Manager - South East

Paul Coleman has joined Contract Resources in the role of Regional Manager SE. Paul joins us from New Zealand where he has held Business Development and Sales and Marketing positions with a large Engineering, Transport and Quarrying company (W Stevenson & Sons). Paul will be based in our Melbourne Office and will be responsible for the ongoing development of our business in Victoria, SA and Tas.



Photo - Paul Coleman

Susan Palmer

Human Resources Administrator - Adelaide

We are pleased to announce that Susan Palmer has commenced in the role of Human Resources Administrator based in our Adelaide Office. Susan has a strong background in HR, OH&S and Quality Management Administration and is replacing Samantha Harrison who has held this position for the past two and a half years. Susan will provide valuable ongoing support to Ian Johnston and his team.

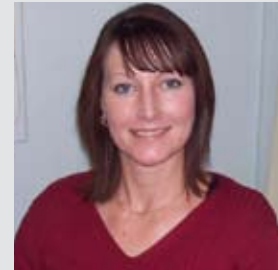


Photo - Susan Palmer

Cidem Zerenturk

Contracts and Tendering Coordinator - NSW

Cidem Zerenturk has accepted the role of Contracts and Tendering Coordinator based at our Bankstown Office in Sydney. Cidem has considerable experience with Project and Contract administration and will provide valuable support to our NSW based personnel with the evaluation, preparation and collation of information for our tender submissions.



Photo - Cidem Zerenturk

Introduction to More USA People!

We have added a few additional people to the USA operations and we would like to introduce some of the new team members we have here now.

Peter Crouch is a name that is known to many of you who were around with Contract Resources in the early 1990's. Peter originally worked with us in Australia and spent many years with us living and working in Singapore and Thailand as well as projects in all the neighbouring countries we work in back then.

Peter came over to the USA working with a competitor and he decided he enjoying the American way of life and made home in California. Around 3 years ago Peter moved to Salt Lake City in Utah to look after that region. We were able to convince Peter to come back to Contract Resources and help us establish things here in the USA. Houston is to become Peter's new home but currently he has been visiting clients in the Rocky Mountain area and managing the projects that we have been undertaking in the area... welcome back Crouchy...

Hamish Thomsen recently joined Contract Resources as General Manager USA and was immediately put on a plane and sent to Australia and New Zealand to meet the team and learn a little more about our company.... some of you may have meet Hamish on his visits to various offices and locations over there.

Hamish was born in New Zealand and has lived and worked throughout Australia, Asia and the USA in the Offshore Industry with ROV and similar equipment and was based with his family in Houston USA. While some of the equipment is different to what we use at Contract Resources the clients and industry are similar and Hamish is fitting in really well after the whirl wind start.



Photo - Peter Crouch



Photo - Hamish Thomsen

On the Move

The following people have changed roles within Contract Resources.

Adam Washington

Area Coordinator - WA Onshore

Adam has worked with CR for 7 years and held various project and supervisory roles during this period. Most recently he was based at Shell Clyde in Sydney where he has held a key role in the management of a major shutdown. Adam will now be responsible for managing relationships and the delivery of services to our existing and potential clients in WA. In the initial stages, this will primarily focus on the Karatha and Kwinana areas



Photo - Adam Washington

Clyde Dorman

Area Coordinator - QLD / PNG

Clyde has been employed with CR for 13 years with the last 4 years as our Site Coordinator at the Caltex Lytton Refinery, QLD. In his new role, Clyde is now responsible for managing relationships and the delivery of services to our existing and potential clients in QLD and PNG.



Photo - Clyde Dorman

Trish Markham

Administration Assistant - Adelaide

Trish joined our Adelaide team earlier this year in a casual role assisting payroll. She has now accepted a permanent position of Administration Assistant / Receptionist.



Photo - Trish Markham

Mike Daniels

Site Coordinator, Caltex Lytton Refinery - QLD

We are pleased to announce that Mike Daniels has accepted the role of Site Coordinator at the Caltex Lytton Refinery in Brisbane. Mike has replaced Clyde Dorman who will soon take up his new role as QLD Area Coordinator. Mike was previously the Environmental Services Specialist based at the Shell Clyde Refinery in Sydney.



Photo - Mike Daniels

More Kiwis Head West

If you are visiting the Perth office you would be forgiven for thinking you were in a New Zealand branch, as more Kiwis head west to join Barclay's WA team.

Graeme Diprose, has been dividing his time as HSET Coordinator between New Zealand and Australia, but has now shifted permanently with his family to Perth. Graeme will concentrate on WA and NT from now on.

Mike Charles was previously a Project Specialist based in Auckland and has taken a new role as Commercial Coordinator in Perth.

Photo - Graeme Diprose and Mike Charles



Safety Update

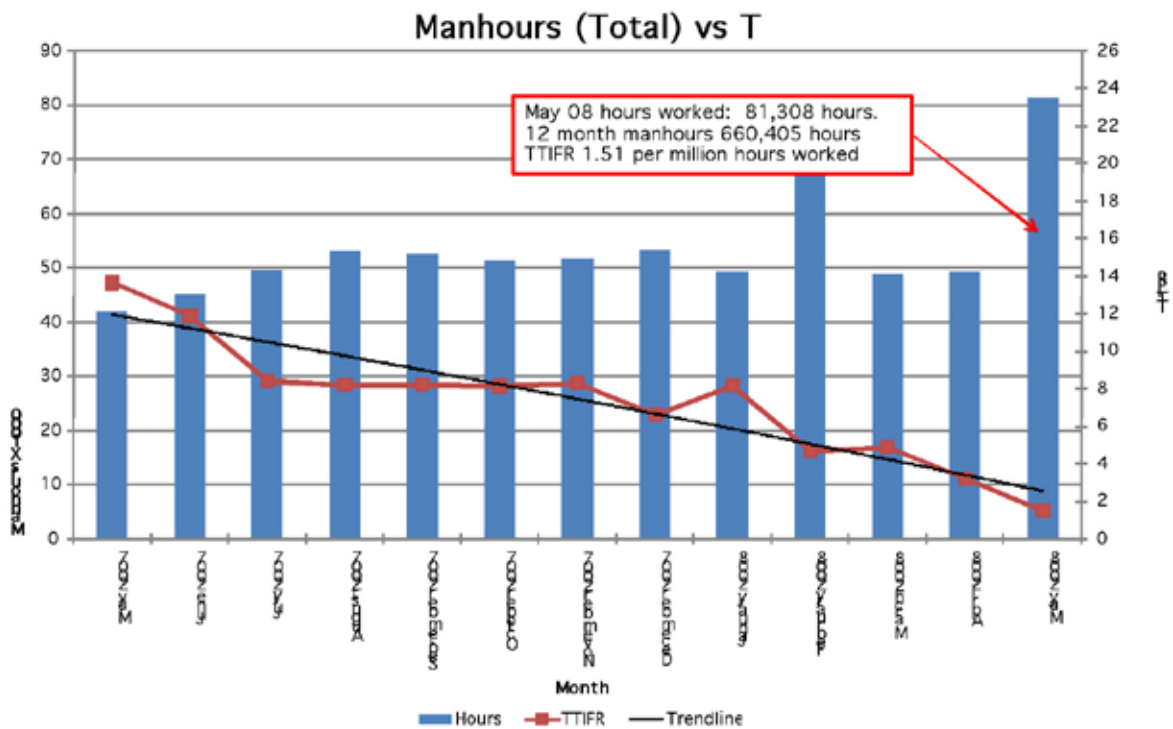
Growing the CR Safety Culture - Peter Johnston, HSEQ Manager

Managing Safety

Congratulations to all CR people for their commitment to the health and safety.

We have experienced an extended period of no lost time whilst our reporting of near hit, hazard and audit findings has positively improved. This improvement in the reporting culture enables review and assessment of the data and is allowing CR to learn, understand the how, when, where and why and then act to ensure the risk to our people, the environment and our business is as low as reasonable practicable.

To date the learning includes the clear need to ensure maintenance and certification programs are current and that our people have the skills and competencies to manage safe systems of work, a safe work place and safe people at work.



Zero Harm Caring for our people and the Environment

Recently the CR Board considered the developments in OHS Legislation and the Key Objectives for us to grow our health, safety and environment management programs under the key CR Value - "Zero Harm - Caring for health, safety community and environment". The Zero Harm logo (right) was approved by the Board and will be coming to you and your work place as a symbol of the CR commitment to the health and safety of our people and the environment.

During the next quarter, there will be a number of training sessions for all levels of the company to introduce our HSEQ Management Systems. Within the systems being introduced, there are a

number of initiatives that will assist in the management of process safety and the management of risk.

The management systems will be the foundation of our Safety Culture development which will include the following characteristics:

1. A reporting culture;
2. A just culture;
3. A learning culture; and a
4. A flexible culture.

As we progress on this path, it is our challenge to define our practices, document them in a manner that allows our people to be trained and able to repeat the practice in a safe manner every time.

"Zero harm", its about caring for people and the environment. It is about a CR culture with an overriding commitment to safety.



Training

Inert Entry Training Course

The first Inert Entry Course for 2008 was delivered at the Contract Resources Training Facility at the Adelaide Refinery 21ST - 25TH Jan. The 10 participants were selected from each of our 4 regional areas NZ, North East Operation, South East Operations and Western Australian Operations which includes the Northern Territory.

The course was delivered by Australian Fire & Safety, Vertical Horizons and Contract Resources Staff (Steve Iremonger & Paul Thew) topics covered were:

- Confined Space Entry
- Breathing Apparatus
- Inert Entry Equipment including ground support set up
- Gas testing (Cannonball)
- Fall Arrest Systems
- Performing Rescue at heights

Participants were required to have completed or hold a current Senior First Aid certificate as a pre-requisite to allow the course to be delivered in the 5 day period.

Course participants were:
Brenton Winn - Adelaide,
Nathan Gribben & Ian Scott - Darwin,
Christian Sheehan - Perth,
Tim Smith & Ricky Lyttle - Brisbane,
Ray Niu - Sydney,
Aana Prentice, David Purdue
& Ben Lindsay - New Zealand.



Photo - Inside the simulated smoke tunnel during the Inert Entry Training Course

Fireproofing Training

Peter McCormack, Tom McCormack, Graham Stan, Colm O'Hare and Dave Stewart attended the Chartek Fireproofing training in early March at our Adelaide Site. They then completed their first fireproofing job for Pipetech Engineering (J1331) on 14th March 2008.

They are now certified to apply International's Chartek fireproofing systems.

Peter is a certified Chartek Estimator and Tom is now a certified Chartek Applicator.



Photo - Tom McCormack fireproofing a vessel at Pipetech Engineering, Adelaide SA.

Inert Entry Refresher Training Course

In June 2008 we held another Inert Entry Refresher Course at our Adelaide site, where participants attended from Australia and New Zealand.

The course was delivered by Vertical Horizons and facilitated by Steve Iremonger with valuable input from Mike Fitzpatrick.

This was a very intensive course which was required to be able to get through all the theory and practical components of the Inert Entry Course in a 3 day period - all course participants were experienced Inert Entry Technicians which enabled the course to be run over this timeframe. Senior First Aid refresher training was conducted on the fourth and final day of the course.

Excellent feedback was received from the course participants on both the course delivery and course content. This course is also to be delivered in Hamilton, NZ 23RD-25TH June 2008. A total of 28 technicians attended these 2 courses; a great deal of planning went into this course to ensure there was the maximum attendance while maintaining our client's project/shutdown requirements.



Photo (above) - participants during the Inert Entry Refresher training from 17th - 20th June.



Photo (left)

Back row: Robert Old, Steve Iremonger, Arthur Denehy, Paul Ozolins, Steve Oakley, Wayne Wilson, Phil Hunt, Terry Lennon, Kevin Spiers and Bruce Mazengarb - Trainer and Managing Director Vertical Horizons.

Front Row: Mark Cook, Ray Langlois, Andrew Owen, Shannon Longuet-Higgins, Andrew Tyldesley - Training Vertical Horizons.

Major Projects

Caltex Lytton Refinery, QLD

Project Update

The start of 2008 at Caltex Lytton Refinery has seen Contract Resources with an unusually heavy work load. This covered a 3 + month period from early January through to the end of April. Maneuvering all jobs through the new ISC contract proving a challenge.

There have been some pretty tough periods through the early months of this year when all on site have been asked to put in the extra effort. This did not affect the high quality service expected from Contract Resources.

Some of the projects completed during this period of January - April 2008

ISOM Reactors Sampling - J1351

The challenge for the inert team was to take good samples from 2 metres down inside the reactor and through the different support materials. This was at the clients request, with no entry to any of the reactors. This task was achieved with a small venturi vacuum sampling and collection system. This unit worked well, it was designed by our catalyst technicians and built by our Adelaide work shop. This reduced the sampling time to only 3 hours.



CCR Regenerator Clean - CBA

The task on 12C25 was to remove the centre screen for suspected repairs and cleaning, withdrawing and manually clearing the centre screen and confined space entry to manually clean the outer screen. They had become blocked with catalyst fines only so no repairs were needed. This project was an 'around the clock' process with a 12 man crew. Contract Resources met and exceeded an extremely demanding time frame and finished in only a few days.



Photo - CCR Regenerator Clean

FCCU Cracker Clean - CBA

Cracker 3C6 was shutdown to identify problems in performance. The task was to open the regen and cracker find the problem, repair and get them back on line in as shorter time as possible. In this process we found the ends of the slurry nozzles in the catalyst and one cyclone completely blocked with catalyst and coke. The job turned into a full reactor clean and inspection. This project took 9 days around the clock with a team of 10 men.



Above: Coke recovered from CYCI Vortex area



Above: CYC2 Coke Retrieved



Above: Riser Feed Nozzles



Photo (above and below) - Poly Reactor Recharge

Poly Reactor Recharge - CBA

The 4C11 poly reactor was cooked and cleaned out using vacuum trucks and hydro jets. The bottom bed was badly bent and would not open to allow a normal unload of this reactor. All four beds of hard catalyst and polymer had to be cut up using the 540hp pump and the large 3 D cleaning head. All the hot acidic product had to be vacuum removed through a side man way. This process took over 2 weeks instead of 2 days, the bed had to be cut out and removed and the reactor was short loaded.



Sulphur Reactors Skims

J1366 & J1369

Three times we had to skim each vessel 12C94 A&B due to blockages. This became around a 10 day rotation in an extremely busy period for Contract Resources and we needed to respond at very short notice. Crew members were brought in from all around Australia and New Zealand to make up the 5 person inert teams. The short term solution to increase the run time on their vessels was to install special ceramics that are designed to trap scale but reduce the impact on pressure drop over the bed. This was installed by the Contract Resources inert team and worked extremely well. This was not to solve the problem, but to increase the run times until a strainer / filter can be installed. The project went well and the client was very happy with Contract Resources commitment.



Photo - A photo of the motley crew contract resources put together for Caltex Lytton unexpected shut down on the BHU Sulpher Guard Beds.



Exchanger Cleaning Program - J1387

The exchanger cleaning program included a shutdown in the Sat Gas unit requiring all 5 exchangers to be removed and cleaned. This program went well for duration of a month with only a two man crew. We had the usual hold up with the external contractor mechanical teams having difficulties supplying exchangers in a timely manner for continuance of work. The equipment was challenged a number of times by the way some of the exchangers were presented at the wash bay.



Mole Sieves Change Out - CBA

This involved three vessels being emptied, cleaned and inspected with top screens modified and reloaded all within a 5 day period and a crew of 7 employees. The project was achieved around other work teams doing plant modifications with in the area. It involved a lot of planning and cooperation from all the work teams involved to achieve the successful outcome.



Jet Fuel Tank Cleaning - J1371 & J1391

During this very busy time, we managed to squeeze in the corporate cleans on jet fuel tanks 13 & 43. These are very quick tank cleaning jobs, using only 4 crew members with under 1 week to complete each. The client has to meet the standards for cleaning to prevent the formation of claudisporum, a fungal growth promoted by water in the tank bottoms.

I would like to take this opportunity to mention the efforts and attitude of Contract Resources Project personal from interstate and overseas who have worked on site during this period. They have been a reliable team who has always been prepared to put in the extra effort to meet the challenges and exceeded expectations when required. This team has been a huge part in this heavy work load and a major part of the success in bringing this period injury free and on time for our client.

Clyde Dorman - Site Coordinator, Caltex Lytton Refinery

Photo - The Lytton Crew! Sustaining the day to day maintenance with an extremely small crew has had its own challenges around achieving work loads



Major Projects (cont)

Mercury Overview

Mercury is a silvery dense metal which is liquid at room temperature. It is naturally found in crude oil, and is currently increasing in content within crude oil.

It is a substance which is environmentally harmful and also poses immediate and long term health hazards to people working in and around mercury contaminated environments.

Due to the increasing content of mercury in crude oil, there is an increase in mercury found in refinery processing units. At many refineries, the levels discovered during shutdowns and turnarounds exceed the refiners' capacity to handle the removal of the mercury from vessels, and to treat the waste through onsite treatment methods. As a result, specialist mercury handling, and offsite treatment options are the only viable options for many refineries.

Properties of Mercury

Mercury is a liquid at normal temperatures, with a melting point of -38.7°C. The boiling point of Mercury is 357°C. Mercury has a low vapour pressure of 0.002Pa, which means that Mercury will readily form a vapour at normal temperatures.

It appears as a silvery liquid that forms into globules.

It is a very dense metal with a density of 13.6 g/cm³ (compared to Gold 19.4, Lead 11.4, and Iron 7.9 g/cm³).

The chemical symbol is Hg.

Mercury is found naturally as the ore deposit cinnabar, and exists in small concentration in sea water. It is also found along with crude oil deposits. This is most likely due to diffusion into the oil deposit from sea water. The most common extraction processes have involved treating ores with an air stream at 600°C, followed by treatment with nitric acid under vacuum to remove impurities.

Removal and Treatment of Mercury

Handling of Mercury is highly specialized and requires intensive training and strict adherence to procedures. The suite of procedures developed by Contract Resources covers these activities in details should the presence of Mercury be suspected these procedures must be put in place. For further inform please contact Chris Lawrence .

Following removal of Mercury, the waste needs to be disposed of, and this can be costly. Most plants and refineries where Mercury has been identified as being an issue usually have a contractor onsite who can dispose of Mercury waste once it has been removed from contaminated vessels.

Health and Environmental impact of Mercury

Mercury is considered to be toxic both to personnel and to the environment.

It is able to form organomercuroidal compounds which are very soluble in the lipid layer of the body (methyl mercury). As a result of this Mercury is a bioaccumulating substance, in which animals lower down the It in an increase in Mercury concentration in those animals higher in the food chain. It is also responsible for the disruption of the breeding cycle of marine animals, particularly of shellfish, where defects of the sexual reproductive systems have been documented (particularly female shellfish being turned into males).

The routes of exposure are inhalation, ingestion and abortion through the skin.

Short term health effects include abdominal cramping, shortness of breath, tremors and muscle spasms.

Health impacts from long term exposure include kidney damage, nervous system damage and permanent brain damage resulting in hallucinations and delirium. Mercury has also been associated with teratogenic effects, in which Mercury causes alterations in the DNA of foetal offspring during pregnancy in women who have been exposed to Mercury. In some cases, the suspected exposure to Mercury occurred months or even years prior to pregnancy.

Metal compatibility

Due to the ready nature of Mercury to form amalgams with other elements, Mercury is considered to be corrosive to most metals with the exception of iron, and is extremely corrosive to aluminium (consider the failure at Moomba in 2004).



Major Projects (cont)

Current Project - BP Bulwer Island J1179

Currently Contract Resources are working with the BP Bulwer Island hygiene team on the 2008 RCU TAR over the 6 weeks of the shutdown.

As the refinery did not have the capability to safely remove Mercury from contaminated vessels and equipment, Contract Resources were called in to assist. Contract Resources is viewed as a leader in the field of Mercury decontamination.

With this project, personnel from Contract Resources are accompanying BP Bulwer Island hygiene team personnel and assisting with the gas testing to enable safe entry to confined spaces in vessels that have been shut down.

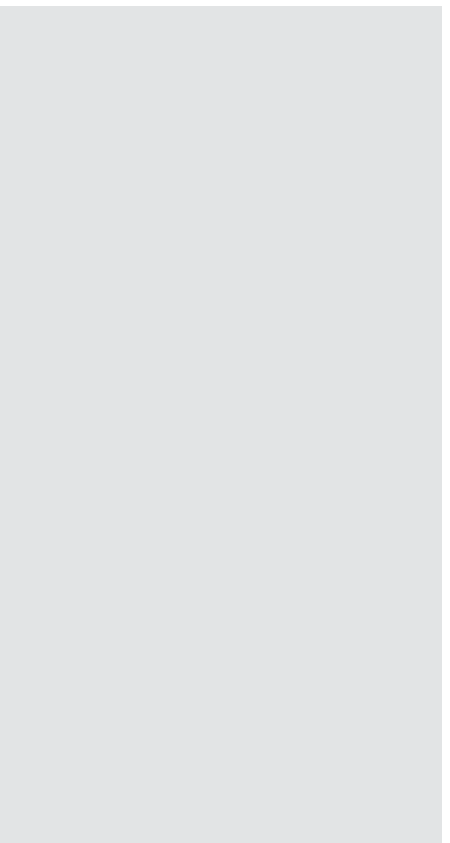
Where Mercury contamination has been found, we are also providing expert advice on the correct containment and barricading conditions to ensure the safety of workers in the area. The Contract Resources personnel then enter the contaminated area to investigate the level of contamination and whether there is visible Mercury present and the approximate quantity.

The appropriate method of removal is selected, the equipment setup and the removal task performed.

The contaminated site is given further checks to monitor the mercury levels and ensure that the vapour levels are reducing.

BP Bulwer has an existing contractor (Thiess) who have the waste disposal contract and have arranged for Mercury contamination storage bins to be present onsite, and will also manage the offsite disposal of the Mercury contaminated wastes.

To date, approximately 5mL of elemental Mercury has been found in the the crude unit stabilizer column (103E), overhead receiver (103F) and exchangers (111C). There have been high levels detected in vessels where there has been no visible Mercury. In these cases the Mercury has been bound up in the scale matrix present in the vessel, or has been leaching out of the metalwork and fittings following steamout.



Photos - The Ball Mill at the Angus Zinc mine site, Strathalbyn SA



Abesque Engineering and Construction, Angus Zinc Mine SA J1337

The Industrial Coatings group tendered and won a contract to spot blast, spot prime and top coat three tanks and the ball mill for Abesque Engineering and Construction at the Angus Zinc mine site at Strathalbyn South Australia. The project commenced on the 21st of January 2008.

After completing the tanks and ball mill the crew of two being; Tom McCormack and Mark Mauro were asked to stay on site to carry out the touch up painting of the new plant being erected.



Major Projects (cont)

Santos Moomba, SA

CR had a crew that headed into the desert for Xmas 07 as part of Santos' total plant outage (TPO) at the Moomba gas processing plant.

The shutdown was planned and executed in 4 days (24th - 28th Dec) with CR personnel being involved in mercury testing and removal.

This was a challenging shutdown with over 500 personnel expected onsite to complete the work in a very tight schedule over a traditional holiday period.

The TPO ran as planned and all personnel involved can get back home for New Year with their families.

Mol Sieve Change Out, BOC HILLGROVE MINE

This project occurred from 12/04/08 to 23/04/08 and required the removal of Molsiv Adsorbants from PPU 01 and PPU 02 vessels located at the BOC Hillgrove Mine and decanted into bulk loading bags 1.6m3 in capacity.

The driver behind the Molsiv Change out being reburishment and relocation of the Oxygen plant to an alternate mine site in WA.

PPU Dryer D12-A1 and B1

8 x approx 1.5 m3 was unloaded and decanted into bulk loading bags due to the internal spider and the lower inspection manway not being removed minimal residual Molsiv remained in the vessel following product removal client informed of inaccessible residual product that was to be removed upon arrival at Kurragang Island.

Photo (top) - MolSieve absorbants being decanted into bulk loading bags ready to be transported and disposed of.

Photo (bottom) - All removed decanted mater was transported to and disposed of at the Lucas Heights WSN waste disposal facility.



Major Projects (cont)

Pigs

CR were involved on the first pigging/survey of the main gas pipeline between the Bayu Undan platform and Darwin LNG plant. CR's scope consisted of Mercury decontamination of the pigs and receiver at the DLNG end (Pigs were launched from the BU platform, covering a length of approx 500kms in total. Task went to plan and we are now in the process of planning our next pig launch operation next week. There is likely to be another as well near the end of the year.

Tunnels

CR have undertaken a program of cleaning, tree root removal and vac loading for Monadelphous Engineering inside 2.5km's of underground tunnels which run under Darwin City. The tunnel's are used for Electrical cabling and some other essential services supplying the City. The works were carried out in preparation of reinstallations of new cables on behalf of PAWA (Power and Water Authority)

Both Tasks were completed without incident with positive remarks from clients who were very impressed with the effort and organisation put in by our men. Both tasks were supervised by Jai Smith who has recently stepped up to the position.

Brendan Johnson
Northern Territory Coordinator

Concrete cutting/demolition J1326

Crew / Brenton Smith (Got the project started then left due to other commitments), Graham Stan, Graham Clegg, Stewart McCance

Duration / 20 days. Jan 6th - Jan 26th

Equipment / UHP Pump HP022

This project involved concrete cutting/demolition at the Prominent Hill mine site situated approximately 1.5 hours drive south of Cooper Pedy in the South Australian outback. Prominent Hill is a world class gold and copper mine operated by Oxiana and is due to commence production in the last quarter of 2008.

Contract Resources were engaged to remove the concrete from around 8 bolt boxes placed in the concrete foundations of the roller mill. These rectangular bolt boxes (used to help secure equipment to the concrete foundations) were in the wrong position due to the formwork moving when the concrete was initially poured for the foundations. The concrete around these boxes had to be removed to allow the boxes to be repositioned and re-concreted in the correct position. Due to construction schedules the bolt boxes had become a critical item and needed to be

The CR crew was required to cut out the concrete freehand using the UHP pump at 30,000psi while leaving all the reinforcing and structural steel in place. Some of the bolt boxes were encased in over 2 meters of concrete and required considerable accuracy and precision to expose.

This task was further complicated by the temperatures faced (>45c Daily) and the associated problems of obtaining a cool, clean water supply for the UHP pump. After a couple of day shifts the CR crew received the ok to go to night shift and the benefits gained were immediate and considerable. On day shift the pump would run for approx 15 minutes before shutting itself down due to the heat of the supply water. Because the water was carted to the job site in steel tanks it didn't take long in the heat to get too warm for the pump to handle. Once on night shift, with the benefit of cooler temperatures, the UHP pump was able to run unaffected by the water temperature and the crew started achieving some serious progress.

After three weeks of 12hr shifts the job was complete and all eight bolt boxes had been freed up and repositioned.

Given the challenging nature of the job and the basic facilities offered in the accommodation camp this was a great effort by the CR personnel. Their ability and willingness to think outside the square and put in the effort required was certainly appreciated by the client and Contract Resources.



Major Projects (cont)

Trade Fair

Upper Spencer Golf

The Upper Spencer Gulf Maintenance Group recently held another trade show/conference at Port Augusta on May 2nd which Contract Resources attended for the second year.

The USGMG is an alliance of local businesses, primarily from the Upper Spencer Gulf region (Port Augusta, Whyalla and Port Pirie) and South Australia, as well as local and state government interests that have got together to liaise with the mining and oil and gas companies who are currently busy in their region.

The trade show and conference provides a forum for these parties to: discuss the impact on the region of the recent and proposed activities of the miners, look at business and employment opportunities, look ahead at the infrastructure requirements of the region and generally raise awareness of what is going on in this area.

The stakeholders in this event are determined to ensure that the Upper Spencer Gulf region and South Australia gains its fair share of the benefits from the mining boom and does not get overlooked or bypassed as has happened with other resources booms elsewhere in Australia.

John McCormack, Chris Lawrence, Ron Loots and Mike Fitzpatrick attended the trade show/conference on behalf of Contract Resources. The CR display was a popular one and was well attended. The display was a bright colorful affair and the various interesting exhibits on our table certainly caught people's attention. By participating in these trade displays CR are aiming to raise our profile outside our traditional oil and gas clients, and by flying the flag at these events we will hopefully become the company the mines turn to when the need arises for the services we provide.



Major Projects (cont)

Latin America Update

2007 was a very busy year for Contract Resources and Nexxo in Chile and we completed some very large projects at the two Enap refineries in Concepcion and Concon. 2008 will be a little quieter in Chile for planned catalyst changeouts but during the past month Contract Resources and Nexxo have again been very busy and active with preparation for our first project in Argentina.

We are currently working on the two NHT-Coker Reactors at Repsol, La Plata in Argentina. This plant is situated around one hour's drive south of Buenos Aires.

There were many complications and delays with getting our equipment out of Chile and the USA and into Argentina but with working with the client, other contractors and various customs agents we were able to get everything there just in time for the start date.

Again the benefits of having suitable equipment and resources located in South America were beneficial to our new clients and to us. The teams from Nexxo & Contract

Resources worked well together again and all the work was completed safely and the plant was started up again thanks to the effort of all the people involved with the teams.

There is additional work scheduled in Argentina for later in the year and a report on this will follow next edition of Catalyst.



Photo - All the CR and Nexxo crew about to depart from site after a days work.

Photo - Screening of the spent catalyst and inert balls prior to reloading.



Catalyst Handling Resources

Following the first project we completed for Silver Eagle Refinery at Salt Lake City, Utah in 2007 we have been back there recently to complete another project there on 2 platformers that required unloading, repairs and reloading. This work was scheduled around the clock to enable it to be completed in a reduced time frame.

Silver Eagle and Catalyst Handling Resources were fortunate that we already had a lot of the equipment that was required for this project in the area as we had just completed a project in Wyoming for Sinclair Casper Refinery.

The project at Sinclair was initially to unload and reload one reactor but before we started to mobilize the scope was increased to two reactors. This project was carried out on day shift only and completed within the allocated time frame.

Both these projects were completed safely and the clients are very happy with the end results and the way our people worked and we have been told that we will be back there in the near future.



Photo - Vacuum Unit set up on site at Repsol, La Plata

Major Projects (cont)

Contract Resources USA Project Update

While much of our work in the USA has been supporting Catalyst Handling Resources and completing some International projects we have done a number small projects in our own right in the USA.

We have completed a number of Unidense and UOP Dense Loading projects around the USA, Mexico and South America as well as working with Linde (formerly BOC) on planning an almost identical project to what was undertaken in Pt Kembla last year in Australia that will be completed here in the USA in October.

We recently mobilized some people and equipment over to New York State to clean and inspect 4 x Co2 vessels that were being relocated to a new plant for Linde. We are pleased that the relationship between our companies is getting strong as they have some very good people and also have many opportunities that are in the specialized area that Contract Resources work in and there are benefits in us working together more.

Office Moves

Introducing the new Melbourne Office

The new Contract Resources offices and workshop are now open in Melbourne. The offices are located at 9 Bentley Street, North Williamstown.

The new office is off Koroit Creek Rd opposite the entrance to Technopark drive and is the old Hammelmann yard.

You can contact the Melbourne office on 03 9399 9777. Their fax is 03 9399 9787.



Photos - The new Melbourne Office

New Equipment

Jetstream 4200 Series Pumps

AHP045 and AHP046 Jetstream 4200 series pumps;

- 1st fluid conversion 48.1 GPM (183 Litres/min) @ 10,000 psi
- 2nd fluid conversion 25.1 GPM (95 Litres/min) @ 20,000 psi

Specific machines these 2 pumps have been bought for:

- G476 (3 IBC) for the 20K conversion.
- M003, G477 and G478 External cleaners 10,000 psi
- G418 IBC flexi lance
- G417 5 lance (With reduced nozzle capacity)



Photo - HP046 Jetstream 4200 Series Pump



Photo - HP045 Jetstream 4200 Series Pump

Pressure relief valve with tamper proof wire

Outlet air And final filter

Clean Air Receiver

HPA267

HP267 is a Vertical storage tank with automatic water drain and filtration. The large air cylinder and auto drain assists in the removal of damaging water and rust that cause damage to expensive pneumatics found in our machinery.



Air inlet, isolation valve, brass Y filter screen and flushing valve

Flushing valve and auto drain canister

USA Equipment Update

Development of equipment and establishing ourselves in the USA is still taking time but we are achieving some good results and getting some great feedback about our people and equipment from various clients.

Contract Resources USA recently started to build a second life support trailer that will be very similar to the first one that was commissioned late last year. Most of the work has been undertaken at our workshop here in Pasadena by Ron Bungard and his electrical and woodworking skills are improving on a daily basis...thankfully. The life support system we are installing is again a BSI Model 5000 system and is set up to run 4 helmets.

With the activities we have planned for the Rocky Mountain area during the second + of 2008 we needed to build a stores and catalyst handling container. This was completed in the Houston yard and then trucked up to the region to enable us to secure and protect our equipment from the cold and harsh conditions in that area.

We recently purchased another covered trailer (16 foot long) which is slightly smaller than the life support trailers. This was used to transport and secure equipment on the Linde project in New York that will be decked out to be used as a breathing air trailer and will also incorporate the soft mask system that we will use here in the USA for specialized loading and various inspection projects.

Employee News

Happy Birthday Maria

Congratulations to Maria Tsorvas, Site Administrator Caltex Lytton Refinery who recently celebrated a very special birthday. Gifts came from far and wide as everyone helped to ensure her day was a memorable!

Photo (right) - Maria in the site office during the BP Shutdown in April, with flowers, cake and gifts from Contract Resources Adelaide, Sydney and Brisbane on the celebration of her 21st plus Birthday!



Photo (right) - full credit to the project team at BP on their excellent effort, adding more bling to Maria's collection!



Happy Birthday Robert Old

Robert Old, Project Technician got a little red in the face after receiving flowers from his loving older sister for his Birthday...

Right in front of the boys!



Happy Birthday Laurie & Joan

Birthday Girls

Adelaide office's Administration Supervisor Joan Mandalik and Travel Consultant Laurie Crute recently celebrated a significant birthday together within a few days of each other. Looks as though they were pretty happy with the celebration.

Congratulations!



Employee News (cont)

A True DIY Rodder

Ross Whelan is passionate about drag racing and when he's not servicing and repairing CR vehicles in the Taranaki Workshop, he is devoted to his 1934 Ford Y drag racer.

Ross tackled nearly every aspect of the build on this street/strip hot rod. Yes, it is street legal! He built a new chassis, fitted race discs etc and ultimately fitted a heavily modified Chevrolet 350 V8. The end result is a vehicle which will do the standard quarter mile in 11.7 seconds. Next job on the list is to fit a new 800HP Chevrolet motor and get this time down to 8 seconds. This will make it the fastest street legal car in New Zealand.

A detailed account of Ross's endeavours and the technical challenges this project involved is featured in a recent NZ Rodder Magazine along with some great photographs.



New Arrivals

David McCormack

It's a boy

Congratulations to the proud parents of Nicholas McCormack

Born, 11-May-2008



Photo
Nicholas McCormack

Contributions

Thanks for reading this issue of CATALYST

This newsletter is for you. It is to keep you informed of what is happening within the company, and the changes and developments that are taking place. If you have items of interest to contribute, please forward them to me at the Adelaide office.

See you next issue...

Andrew Wells

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Thank you to all the people for
their contributions to the current
issue of Catalyst.