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19 November 2007

Company Announcements
Australian Stock Exchange Limited
Level 8, Exchange Plaza
2 The Esplanade
Perth WA 6000

Dear Sirs,

ANNOUNCEMENT: Acquisition of Chicago-based Meretec Steel Recycling Plant

We attach an Announcement for immediate release to the Market.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Patrick Raper', with a horizontal line underneath.

**Patrick Raper
Company Secretary
CMA Corporation Ltd**

Enc

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CMA Enters into Contract to Acquire US-based Steel Recycling Plant

Metals recycling group CMA Corporation Limited (ASX: CMV) is pleased to announce that it has entered into a contract to acquire the Chicago-based Meretec Steel Recycling Plant from Meretec Corporation, the US developer of metals recycling technology.

Under the agreement, CMA will pay approximately A\$7.7 million to acquire the Chicago Meretec facility, which equates to net book value of the plant and freehold land. Consideration for the purchase will be CMA shares at an issue price of A\$0.70 per share.

The agreement is subject to due diligence, the approval of Meretec bondholders and the approval of CMA shareholders if required.

The acquisition is expected to be strongly earnings accretive in its first full year of operation. The plant is expected to be at full production before the end of the current financial year.

Working capital for the Chicago plant will be funded through a facility provided by a local US banking group.

Acquisition of the Meretec plant in the US follows the opening in September 2007 of a Meretec plant at CMA's recycling facility at Ringwood in Victoria.

CMA Managing Director Peter Hatfull said the acquisition, if completed, would be an exciting development for the Company.

"This will be CMA's first foray into the US market, representing a major step forward for the Company giving us greater geographic diversity and a new revenue stream for the Group," said Mr Hatfull.

"The Chicago based facility is in a location with a high concentration of buyers, traders and feedstock suppliers and will provide us with a scale entry into the buoyant US market.

"We see enormous potential in this technology and believe the Meretec facility is an outstanding opportunity for CMA to add a strong, profitable business to the Group."

The Chicago plant will continue to be managed by the existing senior management team.

Meretec Corporation was established in 2000 and is the developer of the metal recycling and de-zincing Meretec™ Process used at the CMA plant at Ringwood.

Meretec's Chicago-based facilities use the same state-of-the-art process to recycle galvanised steel to capture the zinc from the coatings and create a clean black 'Meretec Meltstock' feed for foundries.

Commissioned in 2003, the facility will initially recycle 125,000 tonnes of galvanised steel per annum to produce around 2,000 tonnes of a high grade zinc particulate and approximately 122,000 tonnes of clean black steel.

Completion of the transaction is scheduled for 31 January 2008.

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For more information please contact:

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