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29 March 2010

Company Announcements Office
ASX Limited
Exchange Centre
Level 4, 20 Bridge Street
SYDNEY NSW 2000

AUDRILL ANNOUNCES \$103.67 MILLION CAPITAL RAISING

Ausdrill Limited (ASX:ASL) (**Ausdrill** or **Company**) announces a capital raising to raise gross proceeds of \$103.67 million (**Capital Raising**), consisting of:

- a placement of 30.96 million fully paid ordinary shares (**Shares**) marketed chiefly into Australia, New Zealand, Hong Kong and Singapore to raise \$61.92 million before costs (**Placement**); and
- a subsequent fully underwritten non-renounceable pro rata entitlement offer to existing eligible shareholders (**Entitlement Offer**) on the basis of 1 Share for every 10 Shares (1:10) held at the Entitlement Offer Record Date to raise a further \$41.75 million before costs.

The board of Ausdrill is pleased to advise that it has received irrevocable offers from institutional and sophisticated investors to subscribe for Shares in connection with the Placement, which was conducted via bookbuild, at an issue price of \$2.00 per Share (**Placement Shares**). Shares offered under the Entitlement Offer (**Entitlement Offer Shares**) will be offered to shareholders at the same price per Share as the Placement Shares.

The Placement Shares and the Entitlement Offer Shares will not be entitled to receive Ausdrill's interim 5 cent dividend payable on 30 April 2010.

The issue price under the Placement and Entitlement Offer represents an 8.8% discount to the volume weighted average price for the five day period up to and including 19 March 2010 (the trading day prior to the Company going into trading halt while it conducted the Placement).

Settlement of the Placement is scheduled for Thursday, 8 April 2010 and the Placement Shares are expected to be allotted and issued the day after settlement (Friday 9 April 2010). The Placement Shares will trade under a separate ASX code (ASLNA) until the Ex Dividend Date (15 April 2010). Other than in respect of the entitlement to receive Ausdrill's interim dividend payable on 30 April 2010, the Placement Shares will rank equally with existing Shares on issue.

The record date for the Entitlement Offer will be Thursday, 8 April 2010. As the Placement Shares will not be allotted by the record date for the Entitlement Offer, the Placement Shares will not be eligible to participate in the Entitlement Offer.

The Entitlement Offer is expected to open on or before Wednesday, 14 April 2010 and to close at 5pm Thursday, 29 April 2010 (Perth Time). The Entitlement Offer Shares are anticipated to be tradeable on Friday, 7 May 2010 and will rank equally with existing Shares on issue.

The Entitlement Offer is non-renounceable. This means that Ausdrill shareholders who do not take up their entitlement to participate in the Entitlement Offer will not be able to transfer or receive any value for those entitlements, and their equity interest in Ausdrill will be diluted.

Ausdrill's Managing Director and largest shareholder, Mr Ron Sayers, has indicated to Ausdrill that he (including through his controlled entities) proposes to invest a further \$5,000,000 in Ausdrill through the Entitlement Offer.

Argonaut Securities Pty Limited and Patersons Securities Limited are acting as joint lead managers to the Capital Raising. The Entitlement Offer will be fully underwritten by Argonaut Capital Limited and Patersons Securities Limited. The underwriting agreement includes a number of termination events, including material disruptions in financial conditions or markets.

Ausdrill is a major ASX-listed international mining services group. The use of the proceeds of the Capital Raising will be to:

- provide working capital to fund the growth of the business following the acquisition of Brandrill, and the expected growth of the Company going forward;
- provide funding for a number of large opportunities both in Australia and in Africa that Ausdrill is currently tendering for which, if won, will require significant capital expenditure. Ausdrill is confident of securing additional work in the short term;
- enable capital expenditure to grow the Ausdrill Mining Services business in order to take advantage of the current opportunities available for hirers of fully maintained equipment; and
- further support the growth of Ausdrill's joint ventures (African Underground Mining Services and Energy Drilling Australia) and to provide funding for capital expenditure required for recent contract wins by AUMS.

Further details relating to the Entitlement Offer and a timetable for the Placement and Entitlement Offer are set out in annexure A. Annexure B contains an investor presentation which includes an overview of Ausdrill and the Capital Raising, and annexure C contains some risk factors in relation to an investment in Ausdrill.

General update about Ausdrill's businesses

As is ordinarily the case for Ausdrill at any particular time, Ausdrill and its subsidiaries currently have a number of quotations and tenders outstanding and/or are negotiating a number of contracts. Several of these potential contracts may, if awarded, be material. Of the material contracts it has tendered for or is negotiating, some of these tenders both in Australia and in Africa are at an advanced stage where Ausdrill believes, or has been advised, that it has been shortlisted for final negotiations. Even so, there is no guarantee that some or all of the tenders will ultimately be awarded to Ausdrill or its subsidiaries. As recently announced, Ausdrill has been successful in securing a \$70 million 5 year drill and blast contract, subject to commercial terms and conditions, with Navigator Resources. Also, as previously announced, African Underground Mining Services (AUMS), 50% owned by Ausdrill, has been successful in securing a significant quantity of new underground work in West Africa. Ausdrill has also provided a USD30 million guarantee in relation to equipment financing facilities used by AUMS in connection with its operations.

Ausdrill also regularly examines new acquisition opportunities which may relate to existing businesses or to new areas of operation for Ausdrill. This may lead to changes in the source of Ausdrill's earnings and variability in earnings over time. From time to time, Ausdrill receives unsolicited approaches from interested buyers for assets or businesses operated by Ausdrill or to make investments in Ausdrill. These approaches are evaluated on their merits. Other than as otherwise disclosed on ASX, there are no discussions presently being undertaken in relation to acquisitions, divestments or investments in Ausdrill that are sufficiently advanced or sufficiently material to Ausdrill's earnings that Ausdrill considers warrant disclosure at this time.

For further information about Ausdrill or the Capital Raising, please contact:

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Argonaut Capital Limited
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Executive Director
Patersons Corporate Finance
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Important Notice and Disclaimer

This announcement is issued by Ausdrill Limited ABN 95 009 211 474 (**Ausdrill**), and contains general background information about Ausdrill's activities current as at the date of the announcement, 29 March 2010. It is information in a summary form and does not purport to be complete. It should be read in conjunction with Ausdrill's other periodic and continuous disclosure announcements, including the Ausdrill 2009 Annual Report lodged with the Australian Securities Exchange (**ASX**) on 30 September 2009, Ausdrill's half yearly report to 31 December 2009 lodged with the ASX on 26 February 2010, and other announcements to the ASX available at www.asx.com.au.

This announcement is not a prospectus or a product disclosure statement under the Corporations Act and has not been lodged with the Australian Securities and Investments Commission (**ASIC**). The Entitlement Offer to which this announcement relates complies with the requirements of section 708AA of the Corporations Act as modified by ASIC Class Order 08/35, and a Cleansing Notice complying with that section has been lodged with ASX.

The information contained in this announcement is for information purposes only and does not constitute an offer to issue or arrange to issue securities or other financial products. The information provided in this announcement is not intended to be relied upon as advice to investors or potential investors and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs. Before making an investment decision, you should consider, with or without the assistance of a financial adviser, whether an investment is appropriate in light of your particular investment needs, objectives and financial circumstances.

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States or to US persons. This announcement does not constitute an offer of securities for sale in the United States or any other jurisdiction. Any securities described in this announcement may not be offered or sold in the United States or to US persons (as defined in Regulation S under the US Securities Act of 1933) absent registration under the US Securities Act or an exemption from registration.

This announcement may contain certain "forward-looking statements". The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Due care and attention have been used in the preparation of forecast information. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Ausdrill, that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements.

Annexure A – Further Details and Timetable

Entitlement Offer

The Entitlement Offer is a pro rata non-renounceable entitlement offer to be offered to eligible Ausdrill shareholders who:

- are registered as a holder of Shares as at 5.00pm Perth time on Thursday, 8 April 2010 (**Record Date**); and
- have a registered address in Australia or New Zealand.

The Entitlement Offer is not being extended to any shareholder whose registered address is outside Australia or New Zealand.

The issue price under the Entitlement Offer is the same price as set under the Placement.

The Entitlement Offer is non-renounceable. This means that Ausdrill shareholders who do not take up their entitlement to participate in the Entitlement Offer will not be able to transfer or receive any value for those entitlements, and their equity interest in Ausdrill will be diluted.

Eligible Ausdrill shareholders as at the Record Date may choose to accept all or part of their pro rata entitlement or none at all. Eligible shareholders who take up their entitlement in full may not apply for Shares under the Entitlement Offer in excess of their Entitlement. Entitlements of eligible shareholders which are not taken up will lapse upon close of the Entitlement Offer.

Eligible Ausdrill shareholders will shortly receive an offer booklet and a personalised entitlement and acceptance form which will provide further details on how to participate.

Timetable

Date	Event
Wednesday 31 March 2010	<ul style="list-style-type: none">• Entitlement Issue 'Ex' Date
Thursday 8 April 2010	<ul style="list-style-type: none">• Record Date for Entitlement Issue• DvP Settlement for Placement
Friday 9 April 2010	<ul style="list-style-type: none">• Allotment of Placement Shares. Note: Placement Shares are not entitled to participate in the Entitlement Issue and are not entitled to the interim dividend for FY2010 and will trade under a separate ASX code (ASLNA – ORDINARY FULLY PAID NEW) until the Ex Dividend Date (15 April 2010)
By Wednesday 14 April 2010	<ul style="list-style-type: none">• Entitlement Offer Document to be despatched to shareholders
Thursday 15 April 2010	<ul style="list-style-type: none">• Ex Dividend Date• Placement Shares commence trading under "ASL" code
Wednesday 21 April 2010	<ul style="list-style-type: none">• Dividend Record Date
Thursday 29 April 2010	<ul style="list-style-type: none">• Entitlement Issue closes at 5.00 pm (Perth time WST)
Friday 30 April 2010	<ul style="list-style-type: none">• Entitlement Issue shares quoted on deferred settlement basis
On or before Friday 7 May 2010	<ul style="list-style-type: none">• Entitlement Issue share despatch date. Deferred settlement trading ends. Holding statements issued

All times and dates are Perth WST time. All times and dates are indicative and are subject to change. Any material changes will be announced to ASX.

Annexure B – Investor Presentation

Ausdrill Limited

“A Major ASX Listed International Mining Services Group”

Capital Raising
Investor Presentation

March 2010



IMPORTANT NOTICE AND DISCLAIMER

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Overview



- Ausdrill is a major ASX listed international mining services group
- Ausdrill has recently reported a strong half year result and has excellent continued growth prospects moving forward
- Ausdrill is now seeking to raise approximately \$100 million by way of a placement and entitlements issue
- The company's largest shareholder and Managing Director, Ron Sayers, will contribute \$5 million into the capital raising under the entitlements issue



Performance Highlights



Ausdrill has announced a strong net profit after tax of \$21.1m for the half year to 31 December, 2009.

Excluding unrealised FX adjustments and costs associated with mergers and acquisitions, normalised comparisons against the previous corresponding period and highlights of the current period are as follows:

- EBITDA up 3.5% from \$66.1m to \$68.4m
- Profit after tax up 5% from \$22.0m to \$23.1m
- Revenue down 5% from \$273.0m to \$259.3m
- Interim dividend has been retained at 5 cents per share, fully franked
- Successful completion of the merger with Brandrill



Merger with Brandrill Limited



Merger is now complete.

- On acquisition, valuations on the property plant and equipment resulted in a downward adjustment of \$22.4 million to the carrying values of the Equipment
- The transaction has resulted in Ausdrill provisionally consolidating an additional \$38.5 million of intangible assets made up of:
 - \$3.8 million relating to marketing rights
 - \$8.6 million relating to specific mining contracts
 - \$3.4 million of Goodwill relating to DT HiLoad
 - \$22.8 million of Goodwill relating to Brandrill's contracting business
- The Company has agreed to sell Strange Drilling to an entity associated with Jeff Branson (a former Director and founder of Brandrill)

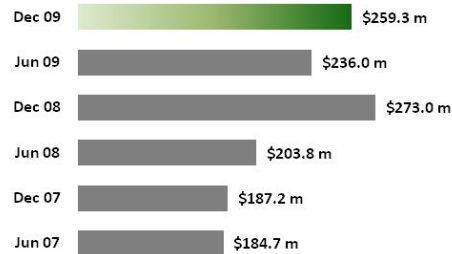


Financial Performance

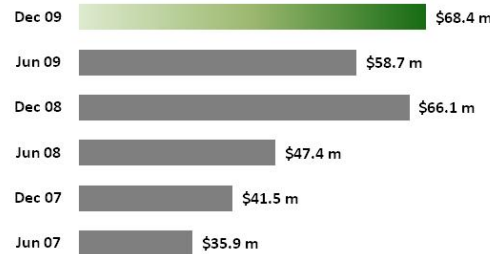


The Group has achieved solid growth over consecutive years and reported profits are currently at record levels. The Company has demonstrated consistency over a number of years.

Revenue



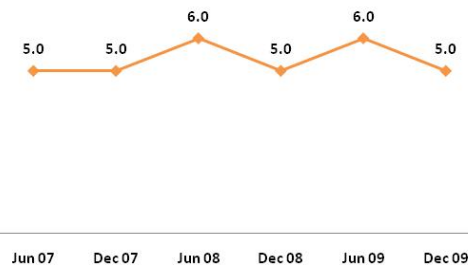
EBITDA



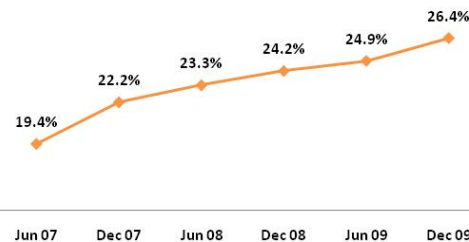
Net Profit After Tax



Dividend



EBITDA Margin



EBIT Margin

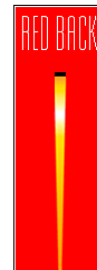


Note: The above charts are normalised and exclude all unrealised foreign exchange adjustments, takeover defence costs, and costs associated with the acquisition of Brandrill.

A “Blue Chip” Client List



The Group's revenue is dominated by major blue chip companies. The following companies contributed **over 75%** of the Group's revenue for the year ended June 2009.



Capital Raising

March 2010

Transaction Overview

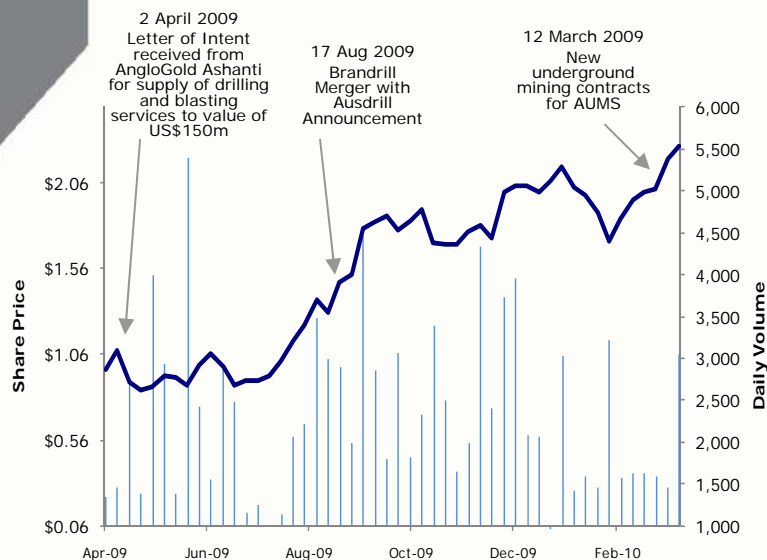


- Capital raising to raise A\$103.67 million
- Placement to raise \$61.92 million through the issue of circa 31 million shares at an issue price of \$2.00 per share
- The balance will be raised through an underwritten entitlements issue on a one for ten (1:10) basis to existing shareholders at the Placement price of \$2.00 per share to raise \$41.75 million
- Placement shares will not participate in entitlements issue
- New shares will not be entitled to the 5 cent interim dividend payable on 30 April 2010
- The Company's largest shareholder and Managing Director, Ron Sayers, will contribute \$5 million into the capital raising under the entitlements issue

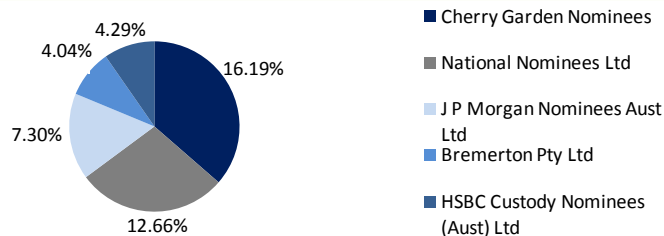
Ausdrill Snapshot (Pre-Capital Raising)



Share Price Performance (Last 12 Months)



Major Shareholders¹



¹ As at 28 February (Ausdrill)

Capital Structure

Share Price (19 Mar 10)	\$	2.27
Fully Paid Ordinary Shares	m	208.8
Market Capitalisation (undiluted)	\$m	473.9
Cash ²	\$m	42.5
Debt	\$m	248.4
Enterprise Value	\$m	679.8

² As at 31 December 2009 Half Yearly Report

Pricing Snapshot

12 Month High (19 March 2010)	\$	2.27
12 Month Low (31 March 2009)	\$	0.73
12 Month Average	\$	1.51
VWAP (19 March 2010 - 10 day)	\$	2.17
VWAP (19 March 2010 - 30 day)	\$	2.07

Directors & Management

Terence O'Connor
Terrence Strapp
Ronald Sayers
Jim Askew
Mason Hills

Andrew Broad
Alex McCulloch
Mark Hughes

Non-executive Chairman
Non-Executive Director
Managing Director
Non-Executive Director
Non-executive Director

Chief Operating Officer
Chief Operating Officer
Chief Financial Officer

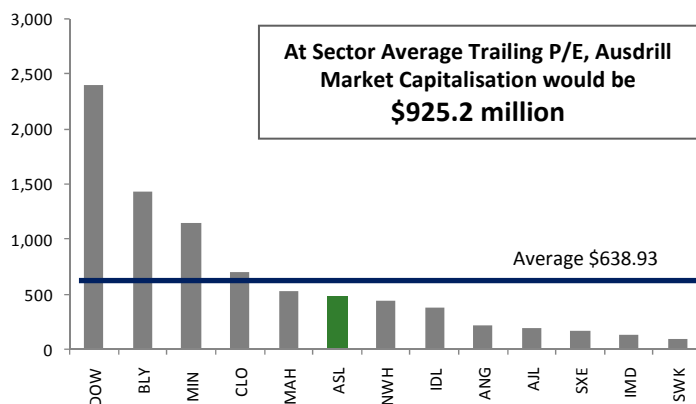
Source: IRESS; Company Reports

Ausdrill an Attractive Investment Relative to its Peers

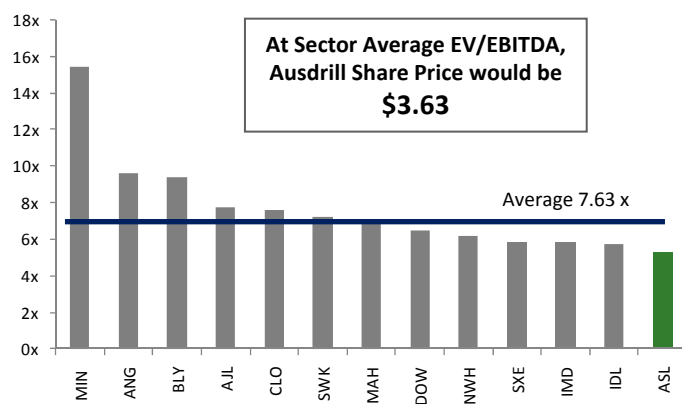


Sector Analysis

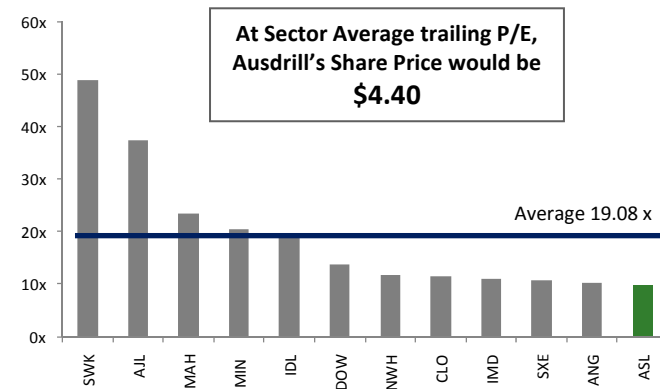
Market Capitalisation



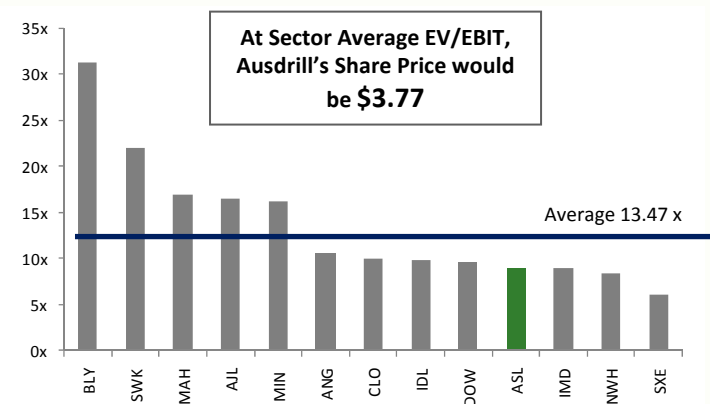
EV/EBITDA



Price/Earnings Ratio⁴



EV/EBIT



Assumptions:

1. Based on Argonaut Analysis
2. Prices as at 24 March 2010
3. AJL figures have been normalised to exclude sale of ESG assets
4. BLY reported negative EPS for FY09

Historical Post Capital Raising Performance



The Company has a proven track record of improving margins and demonstrating growth post the last major capital raising in November 2007. Since then, Ausdrill has delivered an outstanding financial result after employing the new capital.

	2007	2009	VAR	%
REVENUE	\$368,162	\$508,965	\$140,803	38%
EBITDA	\$72,057	\$126,136	\$54,079	75%
EBIT	\$45,061	\$73,721	\$28,660	64%
PBT	\$37,514	\$57,642	\$20,128	54%
PAT	\$27,544	\$40,245	\$12,701	46%
EQUITY	\$151,231	\$306,130	\$154,899	102%
EQUITY LESS CAPITAL RAISING	\$151,231	\$213,358	\$62,127	41.1%

Use of Funds



- Provide working capital to fund the growth of the business following the acquisition of Brandrill, and the expected growth of the Company going forward
- Provide funding for a number of large opportunities both in Australia and in Africa that Ausdrill is currently tendering for which, if won, will require significant capital expenditure. Ausdrill is confident of securing additional work in the short term
- Enable capital expenditure to grow the Ausdrill Mining Services business in order to take advantage of the current opportunities available for hirers of fully maintained equipment
- Further support the growth of Ausdrill's joint ventures (African Underground Mining Services and Energy Drilling Australia) and to provide funding for capital expenditure required for recent contract wins by AUMS.



Indicative Timetable



Date	Event
Monday, 22 March 2010	<ul style="list-style-type: none"> Trading Halt Roadshows Commence (Melbourne)
Tuesday, 23 March 2010	<ul style="list-style-type: none"> Roadshow – Sydney
Wednesday, 24 March 2010	<ul style="list-style-type: none"> Company Enters suspension Roadshow – Sydney
Thursday, 25 March 2010	<ul style="list-style-type: none"> Placement Bookbuild Opens Placement Bookbuild closes and pricing determined Entitlement Issue Sub-underwriting offer letters sent out once pricing determined Placement allocation advised
Friday, 26 March 2010	<ul style="list-style-type: none"> Finalise and verify ASX Announcement, Appendix 3B, Entitlement Issue Cleansing Notice and Presentation Board approval Placement Confirmation of Allocations Received
After close on Friday 26 March 2010 to Sunday 28 March 2010	<ul style="list-style-type: none"> Placement allocations advised Sub-Underwriting Commitments in Underwriting Agreement signed
Monday 29 March 2010	<ul style="list-style-type: none"> Placement and Entitlement Issue announced pre-open at Placement Bookbuild price Investor presentation, Appendix 3B and Entitlement Issue Cleansing Notice lodged with ASX pre-open Company suspension lifted Trading re-commences Notify optionholders of the Entitlement Issue Placement Card Forms Recieved
Tuesday 30 March 2010	<ul style="list-style-type: none"> Despatch notice to shareholders containing details of the Entitlement Issue timetable
Wednesday 31 March 2010	<ul style="list-style-type: none"> Entitlement Issue 'Ex' Date
Thursday 8 April 2010	<ul style="list-style-type: none"> Record Date for Entitlement Issue DvP Settlement for Placement (T+4)
Friday 9 April 2010	<ul style="list-style-type: none"> Allotment of Placement Shares (T+5) Note: Placement Shares not entitled to participate in Entitlement Issue and are not entitled to the interim dividend for FY2010 and will trade under a separate ASX code (ASLNA – ORDINARY FULLY PAID NEW) until the Ex Dividend Date (15 April 2010) Lodge Appendix 3B and Placement Cleansing Notice for Placement Shares
Wednesday 14 April 2010	<ul style="list-style-type: none"> Last date for Offer Document to be despatched to shareholders and released to ASX (can send as early as Friday 9 April) Despatch of letter to ineligible foreign shareholders
Thursday 15 April 2010	<ul style="list-style-type: none"> Ex Dividend Date Placement Shares commence trading under "ASL" code
Wednesday 21 April 2010	<ul style="list-style-type: none"> Dividend Record Date
Thursday 29 April 2010	<ul style="list-style-type: none"> Entitlement Issue closes at 5pm
Friday 30 April 2010	<ul style="list-style-type: none"> Entitlement Issue shares quoted on deferred settlement basis
On or before Friday 7 May 2010	<ul style="list-style-type: none"> Entitlement Issue share despatch date. Deferred settlement trading ends. Holding statements issued

Note: The timetable above is indicative only and subject to change. Any material changes will be notified to ASX

Summary

Strategically Positioning to Capture Global Growth



Very Positive Outlook:

- Successful merger with Brandrill with continuing benefits
- Commencement of operations at Geita Gold Mine in Tanzania
- Current level of tendering activity is high
- JV to form Energy Drilling Australia creates entry into the coal seam gas market
- New underground mining contract for AUMS worth \$128m over 3 years commencing April 2010

On a very Positive Investment:

- Compelling valuation
- Strong balance sheet and good share liquidity
- Long term cashflow from existing contracts with potential pipeline for additional services
- Blue Chip client list with quality earnings
- Vertically integrated mining services group
- Strong historical record for delivering results and dividends

Appendices

Appendix A: Major Contracts



Redback Mining - Chirano

- African Mining Services 54 month extension to 2014, associated since the commencement of the mine in 2004

Gold Fields - Damang

- African Mining Services 6 Year Contract to December 2010, associated since the commencement of the mine in 1997

AngloGold Ashanti – Geita Gold Mine

- 5 year contract for drilling and blasting services commencing July 2009

Randgold - Gara

- 3 year contract for African Underground Mining Services (50% JV) commencing April 2010

Gold Fields – Kambalda & Agnew

- 3 year contract from July 2009 for the provision of exploration drilling services - association since 1996

Gold Fields – St Ives

- 2 year contract from June 2009 for drill and blast services in Kambalda – association since 1996

KCGM - Superpit

- 6 year contract for both production drilling and grade control commencing March 2006 – association since 1989

Ensham Resources - Ensham

- Long term production drilling contract in Queensland's Bowen Basin expiring December 2011

Oxiana – Prominent Hill

- 50 Month subcontract to Thiess expiring March 2012

BHPBIO - Mining Area C

- Subcontract to HWE due for renewal, with contract expiry in June 2010

AngloGold Ashanti – Sunrise Dam

- Life of Mine Subcontract to Downer due for completion in 2017

FMG - Cloudbreak

- 3 year contract from July 2007 for the provision of drill and blast services at Cloudbreak

Navigator Resources - Bronzewing

- 5 year contract from March 2010 for the provision of drill and blast services at the Bronzewing gold mine

BHPB Nickel West

- 2 year extension to January 2012 for the provision of exploration drilling services, association since 2004

BHPBIO

- 5 year contract from July 2008 for the provision of exploration drilling services in the Pilbara

Rio Tinto (Pilbara Iron)

- 3 year contract from May 2008 for the provision of Pilbara exploration drilling services

Appendix B: Operating Divisions

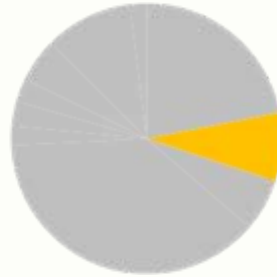


Drill and Blast

Production drilling and blasting services in open cut mines, plus production grade control services and civil construction.

Equipment

- 92 x Small diameter top hammer drills
- 75 x Large diameter rotary and DTH blasthole drills
- 6 x Purpose built probe drills
- 24 x RC grade control drills

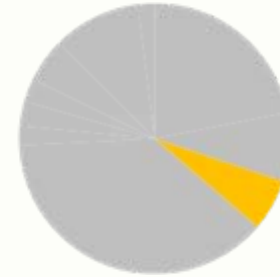


Exploration - Kalgoorlie

Reverse Circulation and Diamond Drilling on greenfield and brownfield sites throughout the Goldfields region. Includes a specialist lake fleet.

Equipment

- 15 x Diamond Drill Rigs
- 8 x RC Drill Rigs
- 3 x RAB Drill Rigs



Ausdrill Northwest

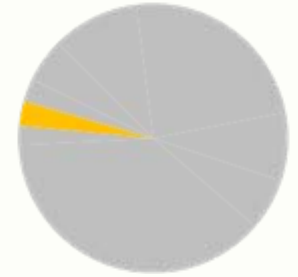
Reverse Circulation drilling services specifically into the Pilbara region of WA.

Equipment

- 10 x RC Drill Rigs
- 5 x Diamond Drill Rigs

Offshore

- 2 x RC Drill Rigs
- 1 x Diamond Drill Rig



Ausdrill Mining Services

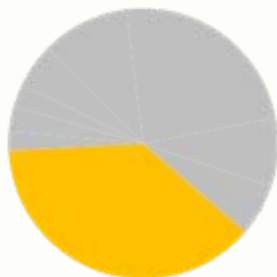
Contract load and haul, plant hire, and plant maintenance services

Equipment

- 32 x 100t dump trucks
- 3 x hydraulic excavators
- Significant quantity of ancillary equipment



Operating Divisions

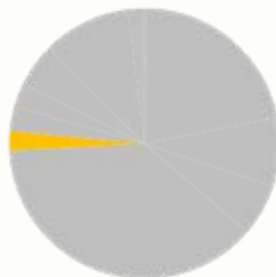


African Mining Services

Full mining service from exploration drilling to crusher feed and civil works.

Equipment

- 100 x 100t dump trucks
- 22 x hydraulic excavators
- 24 x blasthole drills
- 5 x grade control drills
- 6 x exploration drills

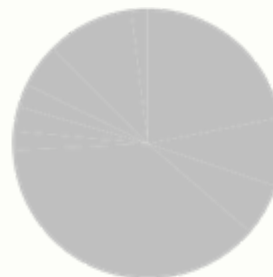


African Underground Mining Services

50/50 Joint Venture with Barmenco servicing underground development in West Africa.

Equipment

- 5 x Trucks
- 2 x Loaders
- 3 x Jumbos

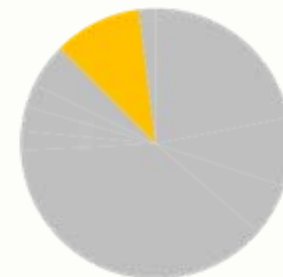


Ausdrill Tanzania

US\$150 million Contract to perform drilling and blasting services at AngloGold Ashanti's Geita Gold Mine over 5 years. Other potential in East Africa.

Equipment

- 7 x Small diameter top hammer drills
- 7 x Large diameter rotary and DTH blasthole drills

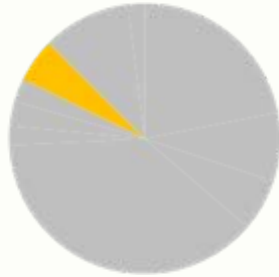


Supply Direct

Procurement and logistic services worldwide with offices in Australia, the UK, South Africa, and in Ghana with Logistics Direct



Operating Divisions

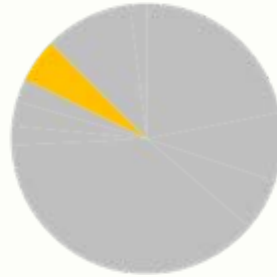


Drilling Tools Australia

Manufacturing business based in Canning Vale, WA producing product predominantly for internal consumption.

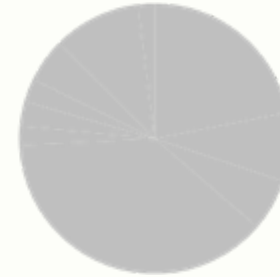
Product lines include drilling consumables and spare parts.

New \$20 Million Facility opened in June 2009.



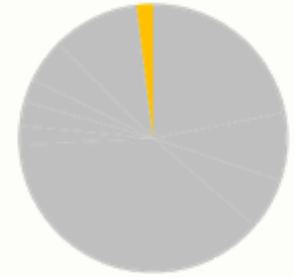
Remet Engineers

Drill pipe and consumable manufacturer based in Kalgoorlie and Canning Vale, specialising in Reverse Circulation and directional drill pipe.



DT HI-Load

DT HI-Load Australia, an Australian company designing and manufacturing lightweight trays that increase mine productivity and bottom line profitability. The heavy duty design of DT HI-Load trays provides outstanding wear resistance with the unique panel construction greatly reducing down time.



Other Businesses



Drill Rig Manufacturing business, to date has produced 9 RC Rigs and 1 Diamond Drill for internal consumption.



Specialist bulk explosives manufacturer.



Construction services for the utility sector, majority of services to the telecommunications and power industries.



Kalgoorlie based hotel

Annexure C – Key risks in relation to Ausdrill

This section discusses some of the key risks associated with an investment in shares in Ausdrill. A number of risks and uncertainties, which are both specific to Ausdrill and of a more general nature, may adversely affect the operating and financial performance or position of Ausdrill, in turn affecting the value of Ausdrill shares and the value of your investment in Ausdrill.

The risks and uncertainties described below are not an exhaustive list of the risks facing Ausdrill in connection with the Entitlement Offer or associated with an investment in Ausdrill. Additional risks and uncertainties may also become important factors that adversely affect Ausdrill's operating and financial performance or position.

This presentation is not financial product advice and has been prepared without taking into account your investment objectives or personal circumstances.

Before investing in Ausdrill shares, you should consider whether this investment is suitable for you. Potential investors should consider publicly available information on Ausdrill (such as that available on the websites of Ausdrill and ASX), carefully consider their personal circumstances and consult their stockbroker, solicitor, accountant or other professional adviser before making an investment decision.

Ausdrill specific risks

1. Industry cycle

Ausdrill operates predominantly in the mining sector. Any variance in the level of activity in this sector will be influenced by factors that may have an adverse effect on operating results and are beyond the control of Ausdrill including metal prices and supply and demand, exchange rates, competitiveness of Australian mining operations, policies of mine owners, including their decisions to undertake their own mining operations or outsource these functions, and availability and cost of key resources including people, equipment and critical consumables.

2. Increased or new competition

Ausdrill faces competition in its businesses. To the extent that there are new entrants or changes in strategy by existing competitors or mine owners Ausdrill may lose market share with consequent adverse effects upon operating and financial performance.

3. Foreign exchange

Ausdrill's revenue, operating and other business expenditure is determined principally in Australian dollars, US dollars, South African rand (ZAR) and CFA Francs. Fluctuations in the exchange rate between the A\$ dollar and the other operating currencies will result in foreign exchange gains and losses which may impact on Ausdrill's financial performance. With a large mining services business in Africa that is effectively denominated in US dollars, changes in foreign currency exchange rates may affect the book value of Ausdrill's assets and revenues and may increase its liabilities and costs.

4. Interest rates

Ausdrill has fixed interest rates on all equipment funding. Funds on deposit with banks earn interest at variable rates, which may increase or decrease.

5. Environmental risks

Extensive national environmental laws and regulations in Australia affect the operations of Ausdrill. The laws and regulations set various standards that regulate certain aspects of health and environmental quality, provide penalties or other remedies for any violation of standards and, in certain circumstances, impose obligations to undertake remedial action in current locations where operations are conducted. There is a risk that significant damages or penalties might be imposed on Ausdrill group companies, including for certain discharges into the environment, effects on employees, sub-contractors or customers, or as clean up costs.

6. Indexation under customer contracts

A portion of Ausdrill's revenue is dependent on the level of indexation under its long-term contracts, which is linked to increases in prices of labour, materials and overheads. In nearly all contracts, the indexation is based on publicly available indices for wage levels, and consumable prices. There may be a difference between the increase in Ausdrill's costs and the movement in the publicly available indices that may result in Ausdrill not being adequately compensated for costs increases.

7. Reliance on key personnel

The responsibility of overseeing day-to-day operations and the strategic management of Ausdrill is concentrated amongst a small number of key employees. While it is not currently anticipated, one or any number of these key employees may cease employment with Ausdrill. The loss of any such key employees could have the potential to have a detrimental impact on Ausdrill until the skills that are lost are adequately replaced.

8. Occupational health and safety

Ausdrill manages, with its clients, certain risks associated with the occupational health and safety of its employees. Ausdrill takes out insurance to cover these risks in certain parameters, however it is possible for injuries and/or incidents to occur which may result in expenses in excess of the amount insured or provided for with a resultant impact on Ausdrill's earnings.

9. Reliance on key customers

Ausdrill's businesses rely on a number of long-term contracts and business relationships. If any of the key customers reduces production or terminates the relationship, this may have an adverse effect on the financial performance and/or financial position of Ausdrill.

10. Equipment

Ausdrill is dependent on access to new and used mining and drilling equipment and related parts. If Ausdrill is unable to source suitable equipment and parts, its ability to perform or commence new contracts may be adversely affected.

11. Sovereign risk

Ausdrill and its clients operate in various countries. There is a risk that the actions of a government, or other unforeseen events, in any of these countries may adversely affect Ausdrill's operational flexibility.

12. Industrial disputes

Industrial disputes may arise from claims for higher wages and/or better working conditions in the industry in which Ausdrill operates. This could disrupt operations and impact on earnings.

13. Risks associated with future growth initiatives

Ausdrill intends to grow both organically and through new investment opportunities. There are always risks that the benefits, synergies or efficiencies expected from such investments or growth opportunities may take longer than expected to be achieved or may not be achieved at all. Any investments pursued could, for a variety of reasons, have a material adverse effect. Growth also brings substantial demands on management.

14. Litigation risk

Exposure to litigation brought by third parties such as customers, regulators, employees or business associates could negatively impact on Ausdrill's financial performance through increased costs, payments for damages and damage to reputation.

15. Insurance

There may be circumstances where Ausdrill's insurance will not cover, or will not be adequate to cover, the consequences of adverse events arising from operations, or where Ausdrill may become liable for pollution or other operational hazards against which they cannot insure or may have elected not to have insured or keep insured on account of high premium costs or otherwise. In that event Ausdrill could incur significant costs that would have a material adverse effect on its financial position.

General risks

16. Economic conditions

Adverse changes in economic conditions such as interest rates, exchange rates, inflation, government policy, international economic conditions and employment rates (amongst others) are outside Ausdrill's control and have the potential to have an adverse impact on Ausdrill and its operations.

17. Stock market fluctuations

There are risks associated with any investment in a company listed on the ASX. The value of Ausdrill Shares may rise above or below the current price depending on the financial and operating performance of Ausdrill and external factors over which Ausdrill and its Directors have no control. These external factors include economic conditions in Australia and overseas, changing investor sentiment in the local and international stock markets, changes in domestic or international fiscal, monetary, regulatory and other government policies and developments and general conditions in the markets in which Ausdrill operates or proposes to operate and which may impact on the future value and pricing of shares.

18. Regulatory risks

Ausdrill is exposed to changes in the regulatory conditions under which it operates. Such regulatory changes can include, for example, changes in taxation laws and policies, accounting standards, environmental laws and regulations, employment laws and regulations, and laws and regulations relating to occupational health and safety.