

Ausdrill Limited

“More than a drilling company”

Company Update

9 November 2010



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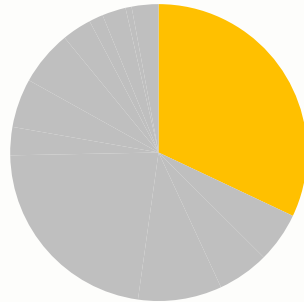
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Who is Ausdrill?

Operating Divisions

Contract Mining Services - Australia

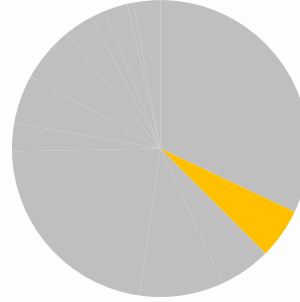


Drill and Blast

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

Equipment

- 85 x Small diameter top hammer drills
- 86 x Large diameter rotary and DTH blasthole drills
- 6 x Purpose built probe drills
- 15 x RC grade control drills

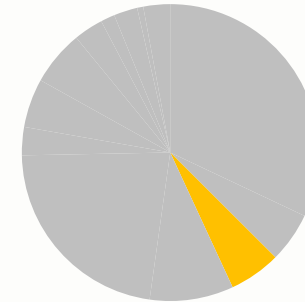


Exploration - Kalgoorlie

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

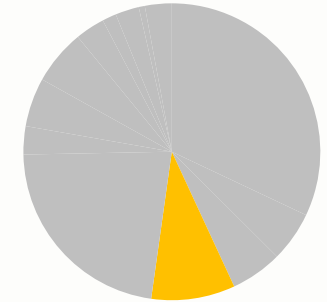


Ausdrill Northwest

Ausdrill Northwest is an exploration drilling company specialising in RC and Diamond drilling within the northwest region of Western Australia's vast resource sector.

Equipment

- 10 x RC Drill Rigs
- 6 x Diamond Drill Rigs



Ausdrill Mining Services

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

Equipment

- 17x 240t Dump trucks
- 32 x 100t dump trucks
- 3 x hydraulic excavators
- 4 x 992 FEL
- Significant quantity of ancillary equipment



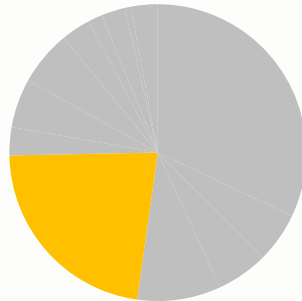
NOTE: All Charts shown are operating Revenues for the 12 Months to June 2010 , includes revenue for Associates, and are pre consolidation and eliminations



Since July 2007, Ausdrill has grown from providing drill and blast services to grade control, equipment hire and maintenance services to Fortescue Metals Group at its Chichester Operations in Western Australia.

Operating Divisions

Contract Mining Services - Africa

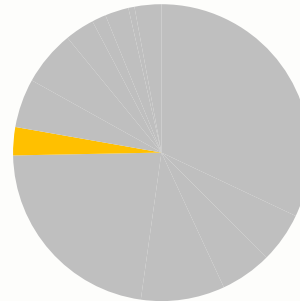


African Mining Services

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

Equipment

- 94 x 100t dump trucks
- 30 x hydraulic excavators
- 27 x blast hole drills
- 8 x grade control drills
- 13 x exploration drills

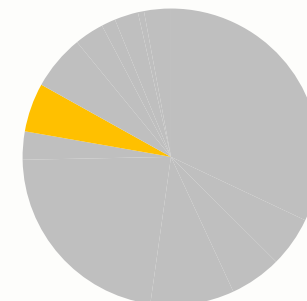


African Underground Mining Services

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

Equipment

- 11 x Trucks
- 6 x Loaders
- 6 x Development Drills
- 3 x Production Drills
- 4 x U/G Explorations Drills



Ausdrill Tanzania

US\$150 million contract to perform drilling and blasting services at AngloGold Ashanti's Geita Gold Mine over 5 years.

Exploration work for various clients.

Equipment

- 14 x blast hole rigs
- 2 x RC Drill rigs
- 2 x Diamond drill rigs



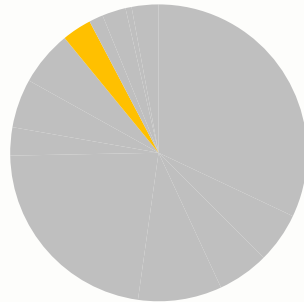
NOTE: All Charts shown are operating Revenues for the 12 Months to June 2010, includes revenue for Associates, and are pre consolidation and eliminations



African Mining Services, Mali - providing drill and blast and load and haul services at the Yatela Operations

Operating Divisions

Manufacturing

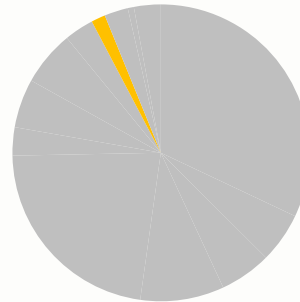


Drilling Tools Australia

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.

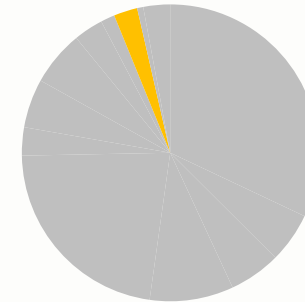


Remet Engineers

Drill Pipe and consumable manufacturer based in Kalgoorlie and Canning Vale, WA.

Specializing in Reverse Circulation, Conventional, and Drill and Blast Drill Pipe with an extensive range of associated subs and stabilizers.

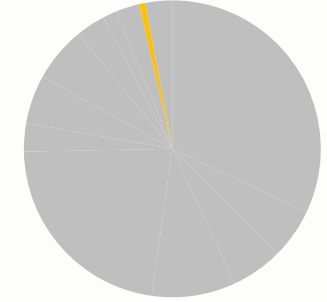
High quality materials used in complete product range.



Drill Rigs Australia

Drill Rig manufacturing business, to date has produced 14 RC rigs, 2 GC rigs, 4 Diamond Drills, 2 multi-purpose drills and 1 probe drill, mostly for internal consumption.

Cutting edge technology is utilised in drill rig manufacturing processes to produce the most precise, cost effective and maintenance-friendly drill rigs in the industry.



DT Hi-Load

DT HI-Load Australia is an Australian company designing and manufacturing heavy duty, lightweight trays for the international market that increases mine productivity and bottom line profitability.



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Vertical Integration

(One Example)



RC Drill Rig built by:



Drill Pipe by:



RC Hammer and Bits by:

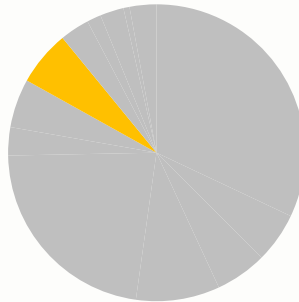


Operated by:



Operating Divisions

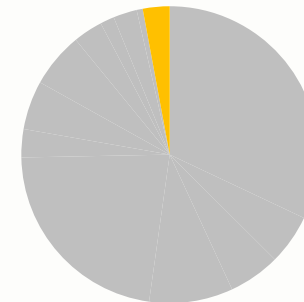
Supply & Logistics and Other



Supply Direct

Procurement and logistic services worldwide with offices in Perth, Australia, Surrey, UK, Johannesburg, South Africa and in Accra, Ghana.

Servicing our major clients into countries such as South Africa, Ghana, Mali, Mauritania, Eritrea, Tanzania, Asia, Bulgaria & Turkey.



Other Businesses



Specialist bulk explosives manufacturer.



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



Energy Drilling Australia operates a high speed and high capacity drill rig to source Coal Seam Gas (CSG) or Coal Bed Methane (CBM).

NOTE: All Charts shown are operating Revenues for the 12 Months to June 2010 , includes revenue for Associates, and are pre consolidation and eliminations

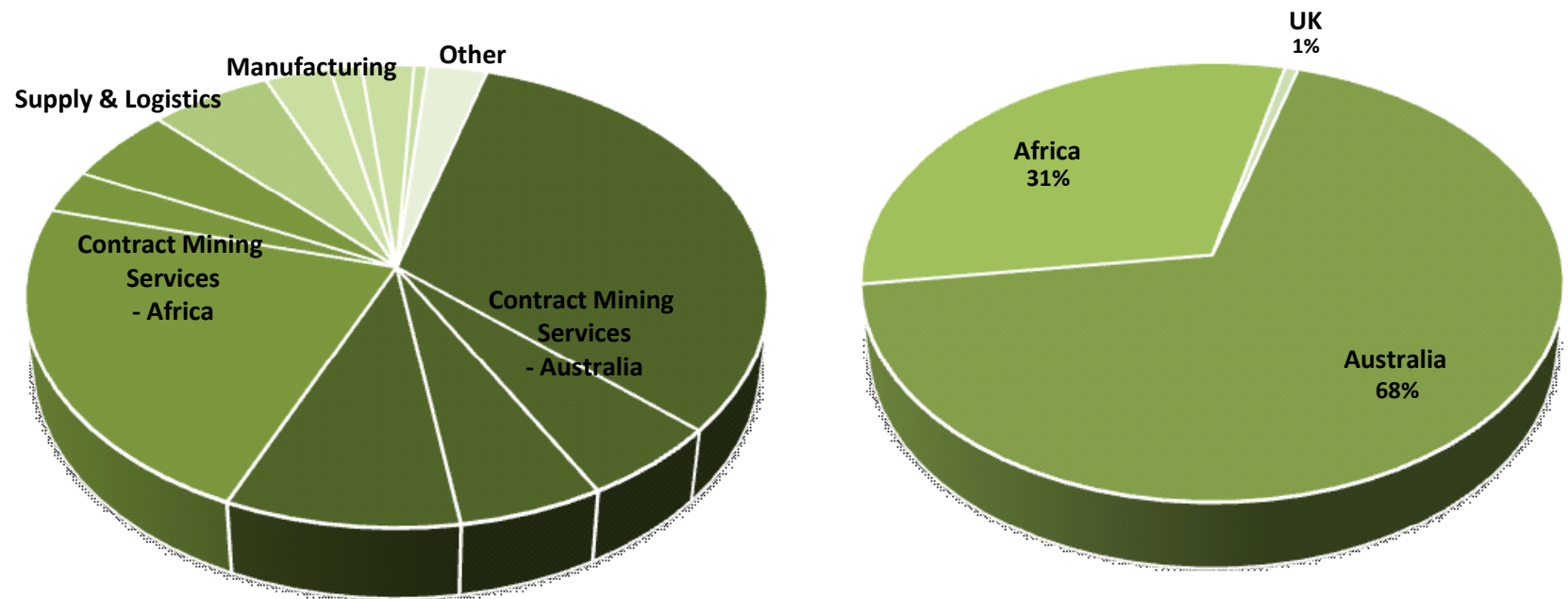
Revenue Distribution FY2010

By Discipline and Region



Ausdrill has a global presence and a diversified exposure, which leaves it well placed to explore growth opportunities.

60% of the Group's Revenue for FY10 was generated in open cut and underground production work on typically longer term contracts with relatively stable earnings.



Note: Revenue distribution shown is pre consolidation and eliminations and includes JV revenue

A “Blue Chip” Client List



The Group’s revenue is dominated by the major blue chip companies.

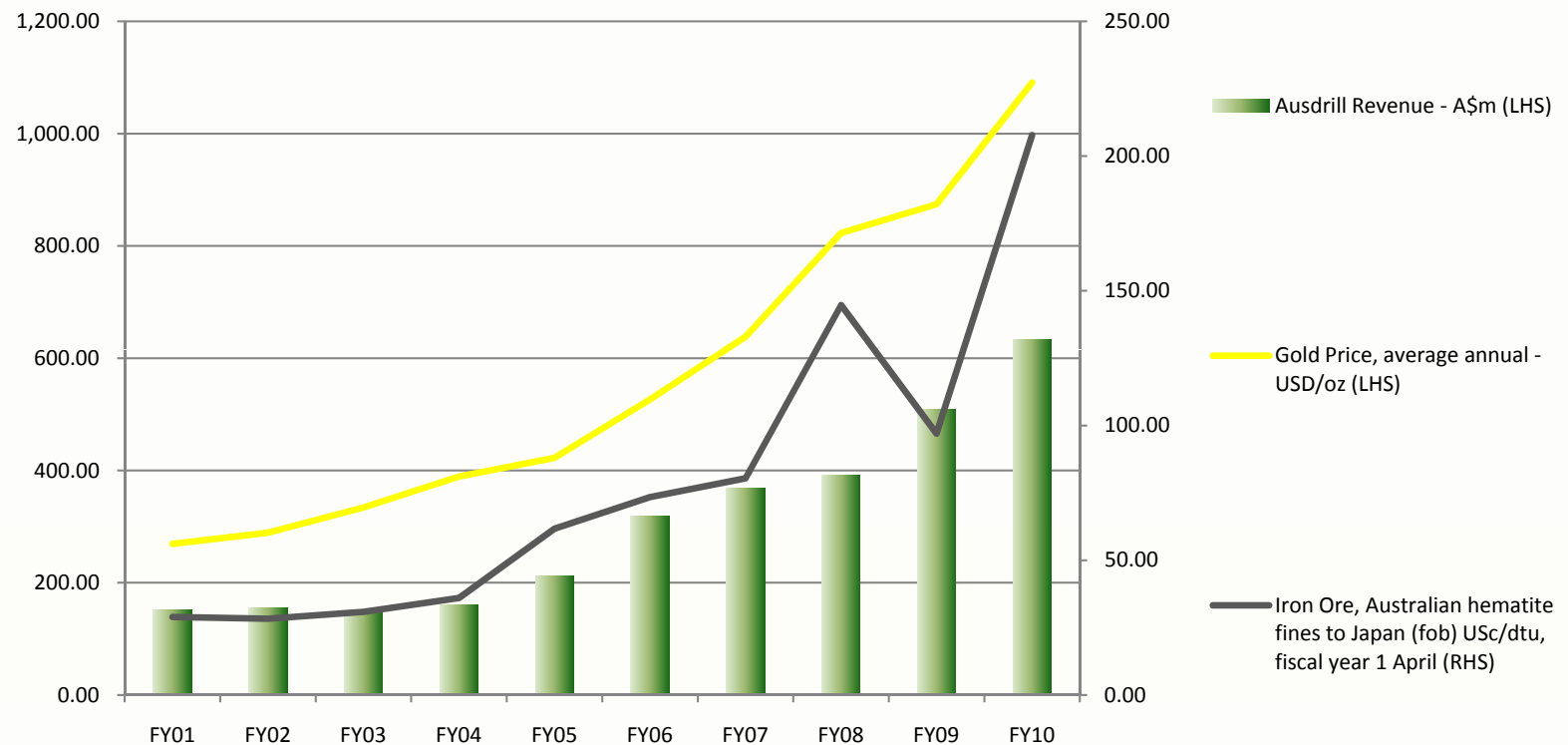


Major Contracts – Committed Revenue



- Work in hand from major contracts (for the contract mining services business) alone is currently A\$1.48 billion for FY 11 onwards – this excludes all other business segments and other contracts
- Whilst the group has always been highly exposed to Gold through its core long term contracts, as the Group grows, it has diversified its exposure to other commodities
- Approximately 70% of our committed revenue from the major contracts is originated from gold mining projects (the African contracts are solely generated from gold operations)
- A steady run-off of work in hand over the next five years, however based on current demand, replacement and new contracts are expected to underpin work in hand over the medium term
- Includes approximately A\$115 million currently contracted to AUMS (being Ausdrill's 50% share).

Revenue Growth – Commodity linked



Sources: Gold – World Gold Council ; Iron Ore - ABARE

Financial Performance - 2010

Year Highlights



Financial Performance

- EBITDA up 21% to \$152.3m
- Net profit after tax is up 20% to \$48.2m
- Basic earnings per share is up from 23.23 cents to 23.71 cents on an expanded capital base
- Full year Dividend of 11 cents per share
- Return (EBIT) on Average Capital invested less intangibles down from 13.2% to 11.6%

Operational Performance

- Revenue from operations up 24% to \$632.9m
- Brandrill integration nearly completed
- Good equipment utilisation at year end
- Strong Revenue run rate going into FY11

Strategic Performance

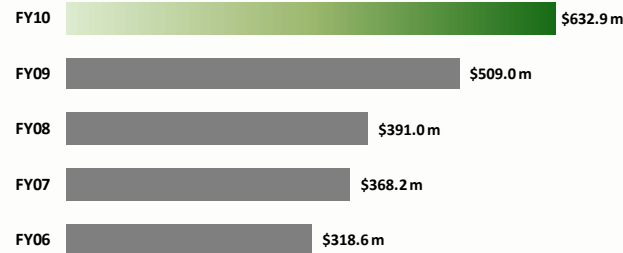
- Capital raising in March 2010 to raise A\$99.1m net and reduce net debt to equity ratio to 20%
- Completed merger with Brandrill in December 2009

Financial Performance

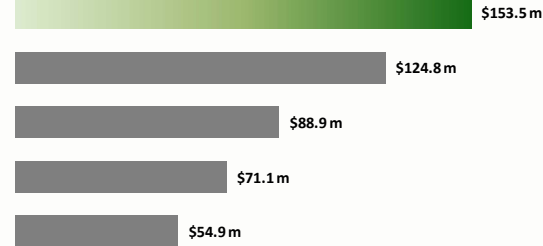


Revenue and reported profits are at record levels and the Company has demonstrated consistency over a number of years.

Revenue from continuing operations



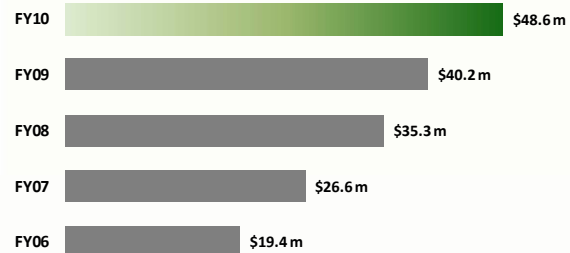
EBITDA



EBITDA Margin



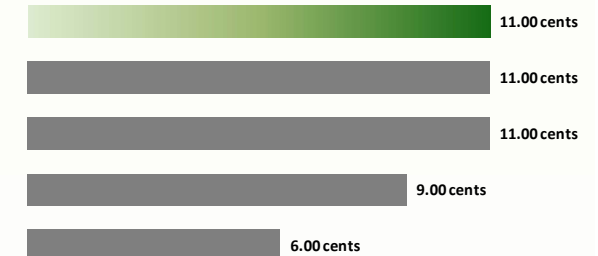
Profit from continuing operations



Basic Earnings per Share



Dividends per Share

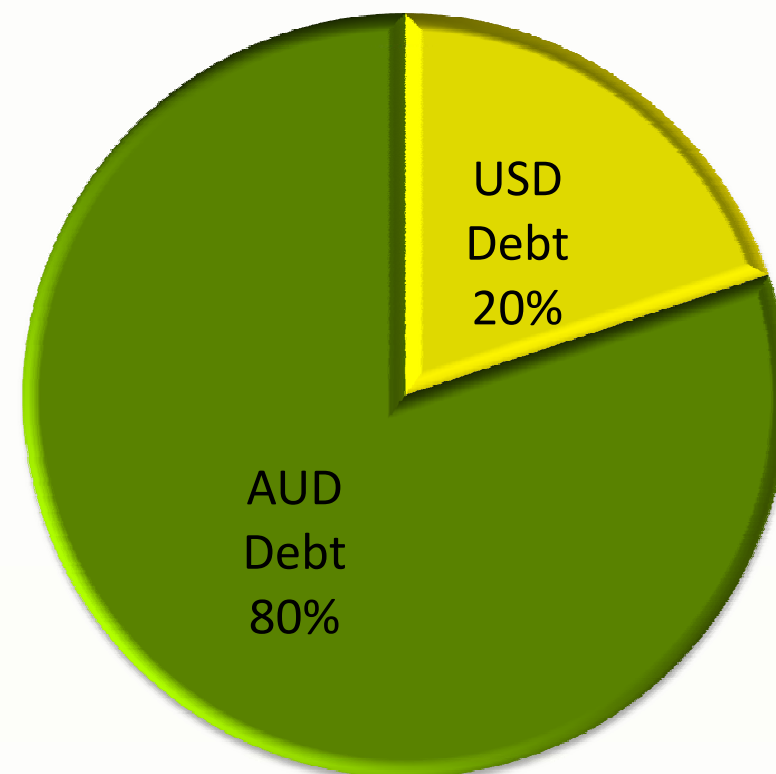


EBITDA exclude takeover defence and merger costs and unrealised FX gains

Group Debt Position



- At 30 June 2010 the Company had gross debt of \$242.9 million, net debt of \$98.5 million
- USD debt naturally hedged
- Net Debt to Equity is 20%
- Majority of debt is secured against \$314 million of property, plant and equipment
- No off balance sheet debt – all associate funding has been internally funded, and no operating leases are used for P&E
- Interest Cover 4.7 x
- Net capex spend in FY10 of \$100 million (incl HP's of \$60m), Depreciation of \$66 million
- FY2011 capex dependant on new work
- \$67 million of principal to be paid down in FY2011 in scheduled repayments



Personnel and safety

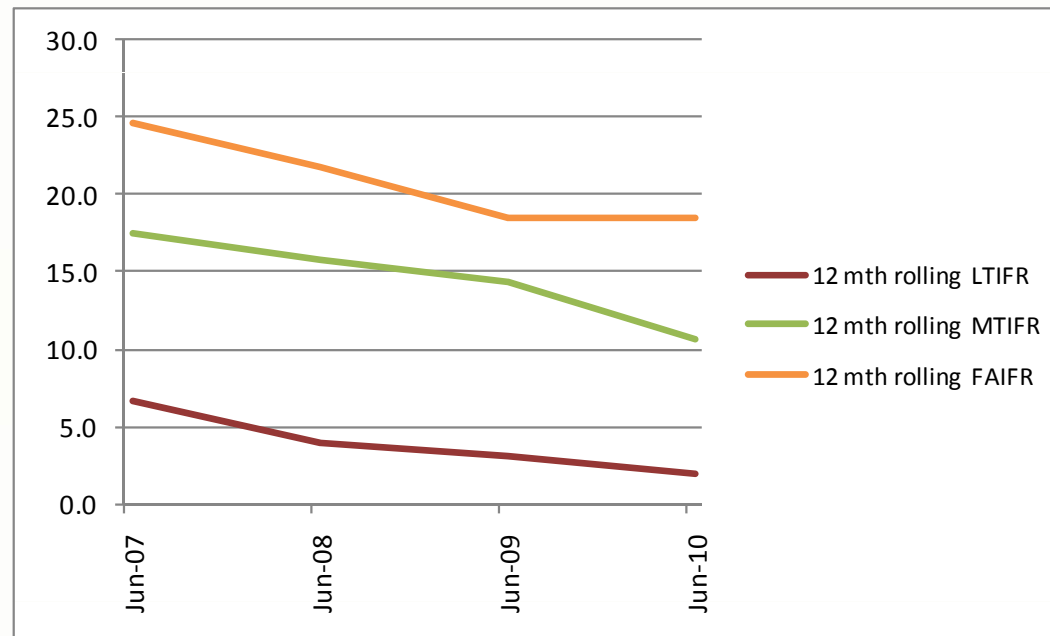


African Mining Services, Ghana, operating in West Africa since 1992

Personnel and safety



- The Ausdrill Group now employs over 3,300 people worldwide
- Have retained staff through the downturn, with the Australian workforce actually increasing
- Training initiatives and apprenticeship programs have been successful in developing a core workforce
- Overall labour market conditions are tightening
- Positive trends on safety performance, particularly with the growth of employee numbers, but more work to be done to reach zero targets



LTIFR
Lost Time Injury Frequency Rate

MTIFR
Medical Treatment Frequency Rate

FAIFR
First Aid Injury Frequency Rate

Outlook

Outlook



Positives

- Capitalise on the merger with Brandrill by completing integration of operations
- Operations at Geita Gold Mine in Tanzania are now stabilising after first year establishment
- Revenue run rate for first quarter of FY2011 continues to be positive

Negatives

- Sourcing of skilled personnel remains an issue particularly in Australia
- Environment remains competitive and new equipment supply facing delays

Outside of our Control

- Commodity prices have rebounded strongly, world economies still mixed
- Effect and impact of further movements in exchange rates from the regions in which we operate

Opportunities

- Tender activity remains high with opportunities both in Africa and Australia
- AUMS is presenting good growth opportunities in the West African region
- Good opportunity for further M&A activity as the industry looks for further consolidation
- Opportunity to increase participation in coal seam gas drilling through the Energy Drilling Australia JV

Outlook



- Target for FY2011 is to maintain EPS on the expanded capital base
- The Company remains conscious of its cost base due to tight labour markets and equipment supplies
- World economic position remains unclear particularly in USA, however, current commodities pricing remains positive for the industry

Appendices

Major Contracts



Perseus Mining - Ayanfuri

- African Mining Services 63 month contract for open pit mining services commencing April 2011

Adamus Resources – Nzema Gold Project

- African Mining Services 36 month contract for open pit mining services commencing November 2010

Red Back 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 March 2011, associated since the commencement of the mine in 1997

AngloGold Ashanti – Yatela, Mali

- African Mining Services 3 year contract for open pit mining services commencing May 2010

AngloGold Ashanti – Geita Gold Mine

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

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

Oz Minerals– Prominent Hill

- 50 Month subcontract to Thiess expiring March 2012

BHPBIO - Mining Area C

- Subcontract to HWE, negotiating 3 year extension from June 2010

FMG - Cloudbreak/Christmas Creek

- 1 year extension to original 3 year contract from July 2007 for the provision of drill and blast services at Cloudbreak
- 3 year grade control contract from August 2010 at both Cloudbreak and Christmas Creek
- Equipment hire and maintenance services for over 100 items of equipment including eight 793C trucks

AngloGold Ashanti – Sunrise Dam

- Life of mine Subcontract to Downer, currently scheduled for completion in June 2012 but may extend past this date

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
- Master services agreement for drill and blast on a rolling 12 month basis

Navigator Resources - Bronzewing

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

Thiess - Gorgon

- 12 month sub-contract to carry out civil work from July 2010

Abigroup - Cape Lambert

- 5 month sub-contract (with potential extension to 12 months) to carry out civil work from September 2010

Randgold Resources - Gara, Loulo Operation - AUMS (50% JV)

- 3 year contract for underground mining services commencing March 2010

Newmont Gold – Subika decline, Ahafo Operation - AUMS (50% JV)

- 17 month contract for underground mining services commencing January 2010

Red Back Mining - Akwaaba Deeps and Paboase South, Chirano - AUMS (50% JV)

- **Akwaaba Deeps** - 3 year contract for underground mining services commencing April 2008
- **Paboase South** - 3 year contract for underground mining services commencing April 2010

Profit & Loss

A\$ millions	FY10	FY09	FY08
Revenue from continuing operations	632.9	509.0	391.0
EBITDA	153.5	124.8	88.9
<i>EBITDA margin</i>	<i>24.3%</i>	<i>24.5%</i>	<i>22.7%</i>
Depreciation and amortisation	69.8	52.4	28.9
EBIT	83.7	72.3	60.0
<i>EBIT margin</i>	<i>13.2%</i>	<i>14.2%</i>	<i>15.3%</i>
Finance costs	17.7	16.1	9.1
Profit before income tax expense	64.7	57.6	50.5
Income tax expense	16.1	17.4	15.1
Net Profit After Tax			
(as reported)	48.2	40.2	\$35.3

EBIT and EBITDA exclude takeover defence and merger costs and unrealised FX gains



Segment Results

A\$ millions	Contract Mining Services Australia	Contract Mining Services Africa	Manu- facturing	Supply & Logistics	Other	Unallocated/ Eliminations	Consolidated
Segment Revenue							
Sales to external customers	362.1	195.1	22.4	30.9	22.3		632.8
Intersegment sales	0.0	0.0	32.5	11.0	0.1	(43.7)	0.0
Total sales revenue	362.1	195.1	54.9	41.9	22.5	(43.7)	632.8
Other revenue	13.8	0.5	0.2	0.3	5.7	(18.5)	1.9
Total segment revenue	375.9	195.6	55.1	42.2	28.1	(62.2)	634.7
Segment result	53.4	18.9	2.0	(0.4)	(9.7)	(8.3)	64.2
Income tax expense							(16.0)
Profit for the year							48.2
Segment assets	712.4	254.5	75.8	18.2	221.3	(396.6)	885.5
Segment liabilities	267.0	146.1	62.8	16.6	240.0	(348.5)	384.0



Balance Sheet

A\$ millions	FY10	FY09	FY08
Cash and cash equivalents	144.4	44.7	89.0
Receivables	132.6	84.3	72.0
Inventories	104.8	86.1	55.1
Property, plant and equipment	449.8	371.1	275.6
Intangibles	35.9	3.5	3.8
Other Assets	18.1	11.9	7.6
Total Assets	885.5	601.6	503.1
Payables	115.8	56.0	60.0
Borrowings	242.9	211.1	135.9
Provisions	7.5	4.1	3.9
Other Liabilities	17.8	24.4	22.6
Total Liabilities	384.0	295.5	222.3
Shareholder Equity	501.5	306.1	280.7
Net Debt	98.5	166.4	47.0



Cashflow

A\$ millions	FY10	FY09	FY08
Receipts from customers (inclusive of GST)	644.4	528.8	394.4
Payments to suppliers and employees (inclusive of GST)	(487.4)	(455.8)	(341.4)
Gross cashflow from operations	157.0	73.0	52.9
Interest received	1.9	3.5	3.8
Interest and other costs of finance paid	(17.0)	(15.5)	(9.1)
Income taxes paid	(21.1)	(14.0)	(5.3)
Other	2.1	1.4	0.6
Net cash inflow from operating activities	123.0	48.4	43.0
Payment for purchase of subsidiary, net of cash acquired	0.1	(0.1)	(3.6)
Payments for property, plant and equipment	(43.3)	(105.3)	(83.5)
Proceeds from sale of property, plant and equipment	2.7	22.3	4.1
Proceeds from sale of business	15.2		
Loans to related parties		(5.3)	(3.8)
Payment for purchase of equity instruments	(6.4)		(1.8)
Other	(0.3)	2.2	(0.0)
Net cash outflow from investing activities	(32.1)	(86.2)	(88.7)
Proceeds from issues of shares	99.1		91.6
Proceeds from secured borrowings	3.5	60.0	40.4
Repayment of secured borrowings	(41.7)	(26.3)	(14.1)
Repayment of hire purchase and lease liabilities	(35.0)	(25.6)	(18.7)
Dividends paid to company's shareholders	(16.9)	(16.4)	(12.3)
Net cash (outflow) inflow from financing activities	9.0	(8.2)	87.0
Net (decrease) increase in cash and cash equivalents	99.9	(46.0)	41.3
Cash and cash equivalents at the beginning of the financial year	44.7	89.0	48.6
Effects of exchange rate changes on cash and cash equivalents	(0.2)	1.8	(0.9)
Cash and cash equivalents at end of year	144.4	44.7	89.0



Capital Structure and Board



Capital Structure		
Share Price (5 Nov 10)	\$	2.48
Fully Paid Ordinary Shares	m	262.467
Market Capitalisation (<i>undiluted</i>)	\$m	650.9
Cash – June 2010	\$m	144.4
Debt – June 2010	\$m	242.9
Enterprise Value	\$m	749.4

Directors & Management	
Terence O'Connor	Non-Executive Chairman
Ronald Sayers	Managing Director
Terrence Strapp	Non-Executive Director
Jim Askew	Non-Executive Director
Mason Hills	Non-executive Director
Alex McCulloch	General Manager - Operations
José Martins	General Manager - Corporate
Mark Hughes	Chief Financial Officer

Top 20 Shareholders



NAME	No shares	%
Cherry Garden Nominees	36,301,664	13.87
National Nominees Limited	33,522,010	12.80
J P Morgan Nominees Australia Limited	25,220,265	9.63
HSBC Custody Nominees (Australia) Limited	15,875,155	6.06
Bremerton Pty Ltd (The Bartlett Family Fund)	15,018,698	5.74
Resource Capital Fund IV L.P.	7,898,160	3.02
Citicorp Nominees Pty Ltd	7,198,095	2.75
Cogent Nominees Pty Ltd	7,022,381	2.68
ANZ Nominees Limited (Cash Income)	5,234,618	2.00
CTS Funds Pty Ltd	4,534,947	1.73
HSBC Custody Nominees (Australia) Limited	4,189,207	1.60
ANZ Nominees Limited (Income Reinvest Plan)	3,417,761	1.31
GP & DL Connell (Connell Contractor Super)	3,408,040	1.30
PG Wright Super Fund	2,466,233	0.94
Queensland Investment Corporation	2,126,193	0.81
Gerald Harvey	1,975,846	0.75
UBS Nominees Pty Ltd	1,481,081	0.57
Kingarth Pty Ltd	1,410,001	0.54
PM & JL Bartlett	1,202,793	0.46
Garry Patrick Connell	1,069,740	0.41
Total held by the twenty largest shareholders	180,572,888	68.97

¹ As at 31 August 2010 (Ausdrill)

“Ausdrill is a complete, vertically integrated mining services company, with great growth prospects, quality earnings, and a track record for delivering results”

History and Key Milestones



- 1987 Founded in Kalgoorlie
- 1989 Purchased the assets of the Drilling Division of Seltrust Mining / BP Minerals International
- 1991 Commenced Operations in South America
- 1992 Formed Ausdrill Ghana – operating in 5 West African countries
- 1993 Formed West African Mining Services operating in Ghana
- 1994 Floated on the Australian Stock Exchange in February
- 1994 Purchased the assets of the WMC Exploration Drilling Division in July
- 1996 Purchased the assets of the Drilling Department of the WMC Kambalda based nickel and gold operations
- 1996 Purchased the assets of Major Drill and entered the specialised lake drilling market.
- 1996 Entered into an alliance with Eltin (now Henry Walker Eltin) to form African Mining Services (Ghana), a 50/50 JV company.
- 1998 Entered into an alliance with Henry Walker Eltin to form African Mining Services (Tanzania), a 60/40 JV company.
- 1998 Entered into an alliance with Stanley Mining Services / Layne Christensen to form West African Drilling Services a 50/50 JV company.
- 1998 WAMS Freight changed it's name to Supply Direct, to better reflect the global operations of the company
- 1999 Purchased 50 % of Diamond Communications in November
- 2000 Purchased Australian Communications Engineering in July
- 2001 Merged Diamond Communications and Australian Communications Engineering. Increased ownership of Diamond Communications to 75%
- 2001 Sold share of WADS to Layne Christensen in July, sold Queensland and NZ assets to Major Pontil in July
- 2002 Purchased 50 % of General and Civil, underground power installers, Closed all operations in South America
- 2003 Formed Ausdrill Northwest Pty Ltd and purchased the assets of drilling contractor Drillex Pty Ltd
- 2003 Purchased 50% of Remet Engineers, Acquired remaining 25% of Diamond Communications
- 2004 Commenced operations of Drilling Tools Australia Pty Ltd (formerly Ausdrill Enterprises Pty Ltd)
- 2005 Acquired remaining 50% of African Mining Services (Ghana)
- 2006 Purchased 50% of Westrans Services WA a light engineering/maintenance company specialising in transport equipment
- 2007 Formed Ausdrill Mining Services providing earthmoving services in Australia
- 2007 Formed Drill Rigs Australia Pty Ltd, manufacturer and maintenance service provider for drill rigs, drilling support equipment and ancillary equipment
- 2007 Entered into an alliance with Barmenco Ltd to form African Underground Mining Services, a 50/50 JV company
- 2007 Purchased The Miner's Rest motel providing affordable accommodation options
- 2008 Acquired remaining 50% of Remet Engineers
- 2009 Acquired remaining 50% of Westrans Services WA, Purchased Synergex Holdings Pty Ltd, manufacturer of bulk explosives
- 2009 Acquisition of 100% Brandrill by way of scheme of arrangement – issued 33.1 million shares at \$2.13 per share
- 2010 Capital raising to fund growth - issued 51.8 million shares at \$2.00 per share; disposed of Westrans , Independent Components and Strange Drilling.

Questions