

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Ausdrill Limited

ABN

95 009 211 474

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

1	+Class of +securities issued or to be issued	<div data-bbox="805 1077 1364 1198">(a) Fully paid ordinary shares in the capital of Ausdrill Limited (<b>Ordinary Shares</b>).</div> <div data-bbox="805 1220 1364 1332">(b) Share appreciation rights (<b>SARs</b>).</div>
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	<div data-bbox="805 1377 1364 1422">(a) 266,666 Ordinary Shares.</div> <div data-bbox="805 1444 1364 1514">(b) 4,000,000 SARs.</div>

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+ See chapter 19 for defined terms.

<p>3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p>	<table border="1"> <tr> <td data-bbox="798 168 917 257">(a)</td><td data-bbox="917 168 1361 257">The same as the terms of existing Ordinary Shares.</td></tr> <tr> <td data-bbox="798 257 917 1115">(b)</td><td data-bbox="917 257 1361 1115">SARs are issued to the Managing Director (Mr Ronald George Sayers) on the terms set out in schedule 1 to the Ausdrill Limited Notice of Annual General Meeting 2011 (<b>Terms</b>). 1,000,000 SARs will vest if Mr Sayers remains employed by Ausdrill Limited on 30 June 2014 or any earlier date determined in accordance with the Terms. 3,000,000 SARs will vest depending on the total shareholder return achieved by Ausdrill Limited relative to a comparator group of companies as described in the Terms and provided Mr Sayers remains employed by Ausdrill Limited on 30 June 2014 or any earlier date determined in accordance with the Terms.</td></tr> </table>	(a)	The same as the terms of existing Ordinary Shares.	(b)	SARs are issued to the Managing Director (Mr Ronald George Sayers) on the terms set out in schedule 1 to the Ausdrill Limited Notice of Annual General Meeting 2011 ( <b>Terms</b> ). 1,000,000 SARs will vest if Mr Sayers remains employed by Ausdrill Limited on 30 June 2014 or any earlier date determined in accordance with the Terms. 3,000,000 SARs will vest depending on the total shareholder return achieved by Ausdrill Limited relative to a comparator group of companies as described in the Terms and provided Mr Sayers remains employed by Ausdrill Limited on 30 June 2014 or any earlier date determined in accordance with the Terms.
(a)	The same as the terms of existing Ordinary Shares.				
(b)	SARs are issued to the Managing Director (Mr Ronald George Sayers) on the terms set out in schedule 1 to the Ausdrill Limited Notice of Annual General Meeting 2011 ( <b>Terms</b> ). 1,000,000 SARs will vest if Mr Sayers remains employed by Ausdrill Limited on 30 June 2014 or any earlier date determined in accordance with the Terms. 3,000,000 SARs will vest depending on the total shareholder return achieved by Ausdrill Limited relative to a comparator group of companies as described in the Terms and provided Mr Sayers remains employed by Ausdrill Limited on 30 June 2014 or any earlier date determined in accordance with the Terms.				
<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<table border="1"> <tr> <td data-bbox="798 1149 917 1220">(a)</td><td data-bbox="917 1149 1361 1220">Yes.</td></tr> <tr> <td data-bbox="798 1220 917 1671">(b)</td><td data-bbox="917 1220 1361 1671">No, however upon vesting SARs will be realised by way of the issue of Ordinary Shares which are an existing class.</td></tr> </table>	(a)	Yes.	(b)	No, however upon vesting SARs will be realised by way of the issue of Ordinary Shares which are an existing class.
(a)	Yes.				
(b)	No, however upon vesting SARs will be realised by way of the issue of Ordinary Shares which are an existing class.				

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+ See chapter 19 for defined terms.

5	Issue price or consideration	<div>(a) 133,332 shares at \$1.2914 per Ordinary Share. 133,334 shares at \$1.3414 per Ordinary Share.</div> <div>(b) SARs are granted for nil consideration (other than the services provided by and to be provided by Mr Sayers to Ausdrill Limited). The Ordinary Share price at the time of grant of the SARS is \$2.9153, being the 10 trading day VWAP of Ordinary Shares up to and including 1 December 2011.</div>	
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	<div>(a) Issued upon exercise of options with an expiry date of 12 November 2013 issued pursuant to the 2008 Ausdrill Limited Employee Share Option Plan.</div> <div>(b) Issued so as to reward Mr Sayers for past performance, to provide an incentive for him to continue as Managing Director until 30 June 2014, and to provide a remuneration structure based on performance which sees him rewarded fairly in return for assisting to create additional value for shareholders.</div>	
7	Dates of entering <sup>+</sup> securities into uncertificated holdings or despatch of certificates	2 December 2011	
8	Number and <sup>+</sup> class of all <sup>+</sup> securities quoted on ASX (including the securities in clause 2 if applicable)	Number	<sup>+</sup> Class
		303,154,822	Ordinary shares fully paid

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+ See chapter 19 for defined terms.

	Number	+Class
9	4,066,674	Employee Options (exercisable at exercise prices of between \$1.2914 and \$4.15, with expiry dates ranging from 12 November 2013 to 21 July 2016)
	1,000,000	Incentive Options issued to WM King (exercisable at an exercise price of \$4.21, with an expiry date of 8 July 2016)
	4,000,000	SARs issued to RG Sayers on the terms set out in schedule 1 to the Ausdrill Limited Notice of Annual General Meeting 2011
10	<div>Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)</div> <div> <div>(a) As per existing Ordinary Shares.</div> <div>(b) Not applicable.</div> </div>	

## Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	Part 2 not applicable.
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	

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+ See chapter 19 for defined terms.

17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has <sup>+</sup> security holders who will not be sent new issue documents  Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of <sup>+</sup> security holders	
25	If the issue is contingent on <sup>+</sup> security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	

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<sup>+</sup> See chapter 19 for defined terms.

- 30 How do +security holders sell their entitlements *in full* through a broker?
- 31 How do +security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Despatch date

### Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of securities  
(tick one)
- (a) ☒ Securities described in Part 1(a)
- (b) ☐ All other securities  
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*Tick to indicate you are providing the information or documents*

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

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+ See chapter 19 for defined terms.

## Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought					
39	Class of +securities for which quotation is sought					
40	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>					
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>					
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">+Class</th> </tr> <tr> <td style="height: 60px;"></td> <td></td> </tr> </table>	Number	+Class		
Number	+Class					

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+ See chapter 19 for defined terms.

## Quotation agreement

1      +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2      We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3      We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4      We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



(~~Director~~/Company secretary)

Date: 2 December 2011

Print name:      Domenic Santini

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+ See chapter 19 for defined terms.