

25 SEPTEMBER 2012

DIVIDEND REINVESTMENT PLAN

Ausdrill Limited (ASX: ASL) today announces that the amendments to its Dividend Reinvestment Plan (“**DRP**”) rules, as set out in its ASX announcement dated 10 September 2012, have now taken effect.

A copy of the amended 'Ausdrill Dividend Reinvestment Plan' booklet is attached.

Shareholders are reminded that if they wish to join the **DRP**, or amend their participation in it, they must complete the **DRP** Notice of Election/Variation form attached to the **DRP** booklet and return it to Computershare Investor Services Pty Limited (“**Computershare**”) at GPO Box 2975, Melbourne, Victoria 3001 so that it is received by no later than 3 October 2012. Alternatively, it is possible to apply to participate in the **DRP** or vary your instructions online at www.investorcentre.com/au if you are registered for online access to your securityholder information. Please contact Computershare for further information. Shareholders who already participate in the **DRP** do not need to lodge another form unless they wish to change their level of participation in the **DRP**.

Ausdrill announces that it now intends to enter into a **DRP** Shortfall Placement Agreement with CBA Equities (“**CBA**”) that will involve CBA subscribing for shares with a value of up to 100% of any shortfall in **DRP** participation by Ausdrill shareholders (the “**DRP Shortfall Placement Facility**”).

The **DRP** Shortfall Placement Facility will enable Ausdrill to preserve capital by helping to fund the **DRP** shortfall. However, given the nature of the **DRP** Shortfall Placement Facility, there is no guarantee that all or any of the **DRP** shortfall will be funded through the facility.

Ausdrill will update shareholders on or before 31 October 2012 on the outcome of the **DRP** Shortfall Placement Facility.

Strati Gregoriadis
Company Secretary
AUSDRILL LIMITED

**BRINGING MORE
TO MINING**

About Ausdrill

Ausdrill (ASX: ASL) is a diversified mining services company. Since its formation in Kalgoorlie in 1987, Ausdrill has grown significantly and now has operations across Australia, Africa and the United Kingdom. Ausdrill is a leader in providing services in contract mining, grade control, drill & blast, exploration, mineral analysis, procurement & logistics and manufacturing. The Ausdrill Group employs over 6,000 staff worldwide.

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Dividend Reinvestment Plan

This booklet contains important information.
Should you have any doubts about how to deal with it,
please consult your legal or financial adviser.
Specific taxation advice should be obtained if required
and the Company takes no responsibility for the
taxation liabilities of Participants in the Dividend
Reinvestment Plan.

Summary of Ausdrill Limited's Dividend Reinvestment Plan (DRP)

- All eligible shareholders may participate in the DRP (although restrictions may apply in the case of some overseas shareholders).
- Participants in the DRP will receive a number of shares calculated on the basis of the amount of the Dividend that would otherwise be payable in cash on the shares participating in the DRP.
- The share price at which the Participants' entitlements to shares will be calculated will be based on the volume weighted average price of shares traded on the Australian Securities Exchange for the fifteen consecutive trading days immediately after the record date for determination of the relevant Dividend less a discount, if any, to be determined by the Directors from time to time.
- Applications for quotation on the Australian Securities Exchange will be made in respect of all shares allotted under the DRP.
- Shares participating in the DRP or acquired under the DRP may be sold at any time.
- The number of shares issued will be rounded down to the nearest whole number to eliminate any fractions. Rounding balances will be carried forward.
- A statement will be sent to all participants in the DRP as soon as practicable after each allotment of ordinary shares under the DRP setting out how the number of shares allotted to them was calculated.
- There are no brokerage, commission or other transaction costs payable on shares allotted under the DRP. All administration costs are met by the Company.
- The Company does not assume liability for any taxes or other imposts assessed against or imposed on a shareholder.
- The shares issued under the DRP will carry all the normal entitlements carried by other ordinary shares and will rank equally with all other ordinary shares on issue.
- The Company may, in its absolute discretion, arrange for the DRP to be fully or partially underwritten in respect of any one or more Dividends with one or more underwriters.
- The Directors may modify, suspend or terminate the DRP at any time by giving 14 days notice to all Participants.

To Apply

To participate in the DRP, you must complete the attached Notice of Election/Variation Form and return it to Computershare Investor Services Pty Limited at GPO Box 2975, Melbourne, Victoria 3001. Alternatively, it is possible to apply to participate in the DRP online at www.investorcentre.com/au if you are registered for online access to your securityholder information. Please contact the Share Registry for further information.

If your shares are registered under different names you will need to lodge a separate Notice of Election/Variation Form for each separate shareholding and you must correctly identify the shareholding on the relevant form. Your participation in the DRP will begin from the first Dividend payment after receipt of your Notice of Election/Variation Form. This is subject to the Notice of Election/Variation Form being received on or prior to the record date for determining entitlements for that Dividend.

To Vary or Terminate Participation

To vary or terminate your participation in the DRP you must complete the Notice of Election/Variation Form and return it to Computershare Investor Services Pty Limited. Alternatively, it is possible to apply to vary your instructions online at www.investorcentre.com/au if you are registered for online access to your securityholder information. Please contact the Share Registry for further information. The Notice will be effective for the next Dividend payment, subject to it being received on or prior to the record date for that Dividend.

Sale of Shares

If you are participating in the DRP in respect of all your shares and you sell any of your shares, the shares sold will automatically be withdrawn from the DRP when a valid transfer form is received. If you are participating in the DRP in respect of only part of your shareholding and you sell some of your shares, the shares sold will to the extent possible be taken to be shares which do not participate in the DRP before the number of your shares participating in the DRP decreases.

Financial and Taxation Consequences

If you are in any doubt as to the financial or taxation consequences of participation in the DRP you should seek your own financial and taxation advice.

Enquiries

If you have any enquiries about how the DRP operates and how to participate or you require more forms, write to or telephone:

The Company Secretary
Ausdrill Limited
PO Box 1540
CANNING VALE DC WA 6970
TEL: (08) 9311 5666

or

The Manager
Computershare Investor Services Pty Limited
GPO Box 2975
MELBOURNE VIC 3001
TEL: 1300 850 505

Dividend Reinvestment Plan Rules

The following words have these meanings in these Rules, unless the contrary intention appears:

Interpretation

Company	means Ausdrill Limited ABN 95 009 211 474.
Directors	means the directors of the Company acting as a board or any duly appointed committee of the board.
Dividend	means a cash dividend or cash component of a dividend paid or to be paid by the Company.
Eligible Member	means a person registered as the holder of Shares other than a person with a registered address in any place where, in the opinion of the Directors, participation or the making of an offer or invitation to participate in the Plan would require compliance with conditions which the Directors in their sole discretion regard as unacceptable or unduly onerous, or would otherwise, in the reasonable opinion of the Directors, be unlawful, impractical, impossible or would have an adverse effect on the regulatory approvals held by the Company or for which it intends to apply.
Notice of Dividend Election	means the application to participate in the Plan in respect of a particular shareholding account in the form that the Directors from time to time approve.
Notice of Variation	means a notice in the form that the Directors from time to time approve for a Participant to increase or decrease the number of Participant's Plan Shares.
Ordinary Shares	means fully paid ordinary shares in the capital of the Company.
Participant	means an Eligible Member whose application to participate in the Plan in respect of a particular shareholding account has been accepted by the Directors.
Plan	means the Ausdrill Dividend Reinvestment Plan, the terms of which are set out in these Rules.
Plan Shares	means the Shares in a particular shareholding account which are designated by a Participant as Shares the Dividend on which is to be applied in subscribing for Ordinary Shares under the Plan.
Rules	means these Dividend Reinvestment Plan Rules.
Shares	means ordinary shares in the capital of the Company.
Share Registry	means Computershare Investor Services Pty Limited.

Applications to Participate in the Plan

No person other than an Eligible Member may apply to participate in the Plan.

Participation in the Plan is optional and not transferable. Every Eligible Member who wishes to participate in the Plan must lodge a Notice of Dividend Election with the Company.

All joint holders of Shares must sign or otherwise authorise a Notice of Dividend Election for it to be valid.

A Notice of Dividend Election must be lodged for each shareholding account and each shareholding account of an Eligible Member will be treated separately for all purposes under the Plan.

By applying to participate in the Plan, each applicant acknowledges that neither the Company nor the Share Registry (nor any director or officer of the Company or the Share Registry):

- (i) has provided the applicant with investment advice, financial product advice or any securities recommendation concerning its decision to apply to participate in the DRP and have no obligation to do so in respect of any participation in the Plan; and
- (ii) will be liable or responsible to the applicant for any loss or disadvantage suffered or incurred by the applicant as a result, directly or indirectly, of the establishment or operation of the DRP or participation in the DRP or in relation to any advice given with respect to participation in the DRP.

Degree of Participation

An Eligible Member must specify on the Notice of Dividend Election the degree to which the shareholder wishes to participate in the Plan in respect of the nominated shareholding account.

Participation may be:

- (a) full participation for all the Participant's Shares from time to time however acquired (including Ordinary Shares allotted under the Plan); or
- (b) Partial participation for a specific number of Shares nominated by the Participant together with the Ordinary Shares allotted under the Plan and any bonus shares allotted in respect of Plan Shares. However, if at the record date for a Dividend, the number of the Shares held by the Participant is fewer than the nominated number, then the Plan will apply only to that lesser number for that Dividend.

Notices of Dividend Election received by the Company which do not indicate the shareholding account to which the notice applies or the degree of participation in the Plan will, without notice to the applicant, be deemed to be an application for full participation in the Plan for all shareholding accounts of the applicant.

Acceptance of Applications

The Directors may in their absolute discretion accept or refuse, and correct any error in or omission from, any Notice of Dividend Election, without being bound to give any reason for doing so.

Each Notice of Dividend Election accepted by the Directors will be effective in respect of the first Dividend payment after receipt of the Notice of Dividend Election, provided it is received on or before the record date for that Dividend. The Company will record for each shareholding account of each Participant particulars of:

- (a) the name and address of the Participant; and
 - (b) the number of Plan Shares held by the Participant from time to time;
- and the Company's records will be conclusive evidence of the matters so recorded.

Reinvestment of Dividends

Dividends on Plan Shares will be applied by the Directors on the Participant's behalf in subscribing for Ordinary Shares. Any Dividends on Plan Shares which the Company is entitled to retain under its Constitution or otherwise will not be available for subscribing for Ordinary Shares. If withholding tax is payable in respect of a Dividend that tax will be deducted and only the balance will be applied in subscribing for Ordinary Shares.

The Directors will establish and maintain a Plan account for each shareholding account of each Participant. At the time of each Dividend payment, the Directors will:

- (a) determine the Dividend payable in respect of the Plan Shares;
- (b) determine (where applicable) the Australian withholding tax deductible by the Company in respect of the Dividend, and any other sum the Company is entitled to or required to retain in respect of the Plan Shares;
- (c) credit the amount in (a) above and debit any amount in (b) above to the Participant's Plan account;
- (d) determine the maximum whole number of Ordinary Shares which can be acquired under these Rules by using the amount in the Participant's Plan account; and
- (e) subscribe for Ordinary Shares in the name of the Participant and debit the subscription amount against the balance in the Participant's Plan account.

The number of Ordinary Shares issued to each Participant will be the whole number equal to, or when not a whole number the nearest whole number below, the number represented by 'A' and calculated by the formula:

$$A = \frac{D + R - T}{C}$$

where:

D is the Dividend payable on the Participant's Plan Shares as at the record date for that Dividend;

R is the remaining amount (if any) of the previous Dividend which resulted from the rounding down inherent in the formula;

T is any withholding tax or other sum the Company is entitled to or required to retain in relation to the Dividend; and

C is the weighted average market price of all Shares being traded through normal trades (excluding special trades such as special crossings and other trades determined by the Directors in their sole discretion as not reflecting normal trading in Shares) on the Australian Securities Exchange automated trading system during the fifteen consecutive trading days immediately after (but, for the avoidance of doubt, excluding) the record date for determining entitlement to the Dividend, less a discount (if any) determined by the Directors from time to time and announced via the Australian Securities Exchange at least one week prior to the record date for determining entitlement to the Dividend.

As soon as practicable after each allotment of Ordinary Shares under the Plan, the Company will send to each Participant, for each shareholding account, a statement setting out:

- (a) the number of the Participant's Plan Shares on the record date for the relevant Dividend;
- (b) the Dividend payable in respect of that Participant's Plan Shares which has been applied towards subscription for additional Ordinary Shares;
- (c) the number of additional Ordinary Shares allotted to that Participant under the Plan;
- (d) the number of Shares (including Plan Shares) in respect of which that Participant is the registered holder after the allotment; and
- (e) the allotment price for the additional Ordinary Shares allotted to that Participant under the Plan.

All Ordinary Shares allotted under the Plan will from the date of allotment rank equally in all respects with existing Ordinary Shares.

Ordinary Shares to be allotted under the Plan will be allotted within the time required by the Australian Securities Exchange and statements of holding for the Ordinary Shares will be issued as soon as practicable after allotment.

Ordinary Shares allotted to a Participant under the Plan will be registered:

- (a) if the Plan Shares already held by the Participant are registered on one register – on that register; or
- (b) if the Plan Shares already held by that Participant are registered on more than one register – on the register designated by that Participant or, in the absence of a designation, on the register selected by the Company.

The Company will make application promptly after each allotment of Ordinary Shares under the Plan for quotation of those Ordinary Shares on the Australian Securities Exchange, if other Ordinary Shares of the Company are quoted at that time.

Variation or Termination of Participation

A Participant may, by lodging with the Company a Notice of Variation, increase or decrease the number of its Plan Shares or terminate participation in the Plan. A Notice of Variation must be lodged for each shareholding account. To be effective for a forthcoming Dividend, the Notice of Variation must be received by the Company on or before the record date for that Dividend.

If a Participant disposes of all the Participant's Shares without giving the Company a Notice of Variation and is not registered as a holder of any Shares when the Company's share register is next closed for payment of a Dividend, the Participant will be deemed to have terminated participation on the last date when the Company registered a transfer of the Participant's Shares. When a Participant disposes of part of the holding of Shares of that Participant, and does not notify the Company otherwise, the Shares disposed of will, to the extent possible, be taken to be:

- (a) first, Shares which are not Plan Shares; and
- (b) secondly, Plan Shares.

If a Participant disposes of all of the Participant's Shares at a time when the Participants' account under the Plan has a credit balance resulting from a "rounding down", the Participant authorises the Company to pay the amount concerned to a charity of its choice or to otherwise deal with those funds in accordance with laws applying to unclaimed moneys.

Limit on Subscription

The Directors may at any time by notice in writing to Participants limit the amount of Dividend which may be reinvested in subscription for Ordinary Shares under the Plan.

Shares will not be allotted under the Plan if the issue of those Shares would breach any applicable law.

Modification, Suspension and Termination of the Plan

The Plan may be modified, suspended, recommenced or terminated by the Directors at any time after giving 14 days notice in writing to all Participants in accordance with the Company's Constitution or in such other manner as the Directors consider appropriate. If the Plan is recommenced following a suspension, the Directors may determine that any Notice of Dividend Election or Notice of Variation previously given by a Participant shall be reinstated and be valid and effective.

The accidental omission to give notice of modification, suspension, recommencement or termination to any Participant or the non-receipt of any notice by any Participant will not invalidate the modification, suspension, recommencement or termination of the Plan.

Administration of the Plan

The Plan will be administered by the Directors who have the power to:

- (a) determine procedures for administration of the Plan consistent with the Rules including for the receipt of notices from Participants;
- (b) determine, in their absolute discretion, to arrange for the DRP to be fully or partially underwritten in respect of any one or more Dividends with one or more underwriters;
- (c) settle in such manner as they think expedient any difficulties, anomalies or disputes which may arise in connection with, or by reason of, the operation of the Plan, whether generally or in relation to any Participant or any Shares and the determination of the Directors is to be conclusive and binding on all Participants and other persons to whom the determination relates; and
- (d) delegate to any one or more persons, for such period and on such conditions as they may determine, the exercise of any of their powers or discretions arising under the Plan.

Participants to be Bound

Participants are at all times bound by the Rules of the Plan as modified from time to time.

Costs to Participants

No brokerage, commission or other transaction costs will be payable by Participants in respect of Ordinary Shares allotted under the Plan. However, the Company does not assume liability for any taxes or other imposts assessed against or imposed on a Participant.



Notice of Election/Variation

I/We

Holder Identification Number or
Securityholder Reference
Number:

Wish to participate in the Ausdrill Limited Dividend Reinvestment Plan ("DRP") in respect of one of the following:

A. Dividend Reinvestment Plan (DRP)

Please tick the relevant option where indicated

NO. OF SHARES

ALL

A Full Participation - all shares now held or which I/We may hold in the future (including shares allotted under the DRP).

B Partial Participation - Please indicate the number of shares you would like to participate in the DRP (including shares allotted under the DRP and any bonus shares allotted in respect of participating shares).

C Increase/Reduce Participation to the number of shares indicated.

ALL

D Terminate Participation in the DRP

B. Sign Here - This section must be signed for your instructions to be executed.

I/We agree to be bound by the terms and conditions of the DRP.

I/We authorise Ausdrill Limited to apply the dividends payable in respect of the shares indicated above to subscribe for shares to be allotted by Ausdrill Limited upon and subject to the terms and conditions of the DRP.

I/We acknowledge that I/We may vary or terminate my/our participation in accordance with the procedure laid down by the DRP and that these instructions supersede any previously given by me/us.

Securityholder 1

Securityholder 2

Securityholder 3

If the holder is a company the notice must be signed by:

- an agent of the company acting on behalf of the company with the company's authority; or
- if it is a sole director and secretary company, that director; or
- if the company is not a sole director/secretary company, 2 directors or a director and a secretary, and the capacity of the signatories must be indicated.

Day Month Year

/ /

NOTE

- All joint holders must sign.
- If signed by an attorney the signature of such attorney shall be taken to confirm that no notice of revocation by death or otherwise of the grantor has been received. If the power of attorney has not been noted by Ausdrill Limited an original or certified copy must be produced for noting.
- A notice must be lodged for each shareholding account. Notices which do not indicate the shareholding account to which the notice applies, or the degree of participation in the DRP, will be deemed to be an application for full participation in the DRP for all shareholding accounts of the participant.
- Notices received after the record date for the payment of a dividend will not be effective in respect of that dividend but will be effective thereafter.

Mail to:

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne VIC 3001



Notice of Election/Variation

I/We

Holder Identification Number or Securityholder Reference Number:

Wish to participate in the Ausdrill Limited Dividend Reinvestment Plan ("DRP") in respect of one of the following:

A. Dividend Reinvestment Plan (DRP)

Please tick the relevant option where indicated

NO. OF SHARES

ALL

A Full Participation - all shares now held or which I/We may hold in the future (including shares allotted under the DRP).

B Partial Participation - Please indicate the number of shares you would like to participate in the DRP (including shares allotted under the DRP and any bonus shares allotted in respect of participating shares).

C Increase/Reduce Participation to the number of shares indicated.

ALL

D Terminate Participation in the DRP

B. Sign Here - This section must be signed for your instructions to be executed.

I/We agree to be bound by the terms and conditions of the DRP.

I/We authorise Ausdrill Limited to apply the dividends payable in respect of the shares indicated above to subscribe for shares to be allotted by Ausdrill Limited upon and subject to the terms and conditions of the DRP.

I/We acknowledge that I/We may vary or terminate my/our participation in accordance with the procedure laid down by the DRP and that these instructions supersede any previously given by me/us.

Securityholder 1

Securityholder 2

Securityholder 3

If the holder is a company the notice must be signed by:

- an agent of the company acting on behalf of the company with the company's authority; or
- if it is a sole director and secretary company, that director; or
- if the company is not a sole director/secretary company, 2 directors or a director and a secretary, and the capacity of the signatories must be indicated.

Day Month Year

/ /

NOTE

- All joint holders must sign.
- If signed by an attorney the signature of such attorney shall be taken to confirm that no notice of revocation by death or otherwise of the grantor has been received. If the power of attorney has not been noted by Ausdrill Limited an original or certified copy must be produced for noting.
- A notice must be lodged for each shareholding account. Notices which do not indicate the shareholding account to which the notice applies, or the degree of participation in the DRP, will be deemed to be an application for full participation in the DRP for all shareholding accounts of the participant.
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