

22 OCTOBER 2012

PROPOSED OFFERING OF SENIOR UNSECURED NOTES

Ausdrill Limited (ASX: ASL) today announces that its wholly owned subsidiary, Ausdrill Finance Pty Ltd, may potentially issue, subject to market and other conditions, an aggregate principal amount of US\$300 million Senior Unsecured Notes (the "Notes"). The Notes will only be offered to qualified institutional buyers in the United States pursuant to Rule 144A under the United States Securities Act of 1933, as amended (the "Securities Act"), and to certain persons outside the United States in offshore transactions in reliance on Regulation S under the Securities Act.

If successful, Ausdrill intends to apply the net proceeds to repay existing indebtedness outstanding under its A\$550 million Syndicated Bank Facility entered into in early October. Upon repayment, US\$250 million of the commitments under the A\$550 million Syndicated Bank Facility will be cancelled.

This notice does not constitute an offer to sell, or the solicitation of any offer to buy, the Notes or any other securities. Any offer of the Notes will be made only by means of a private offering circular. The Notes are not being registered under the Securities Act, or the securities laws of Australia or any other jurisdiction. The Notes may not be offered or sold in the United States without registration under the Securities Act or an applicable exemption from such registration requirements.

Strati Gregoriadis
Company Secretary
AUSDRILL LIMITED

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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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