

**NOTICE OF 2013 ANNUAL GENERAL MEETING
THURSDAY 21 NOVEMBER 2013 AT 10.00AM (PERTH TIME)
at
DUXTON HOTEL
1 ST GEORGES TERRACE, PERTH, WESTERN AUSTRALIA**

Notice is hereby given that the 2013 Annual General Meeting (**AGM**) of Ausdrill Limited (**Company**) will be held at the Duxton Hotel, 1 St Georges Terrace, Perth at 10.00am (WST) on Thursday 21 November 2013.

Attached to, and forming part of, this Notice of Meeting are explanatory notes that provide shareholders with background information and further details on the Resolutions to assist shareholders to determine how they wish to vote on the Resolutions. This Notice of Meeting, including the explanatory notes, should be read in its entirety.

Agenda

Ordinary Business

Reports and Accounts

To receive and consider the financial report for the year ended 30 June 2013 and the related Directors' Report, Directors' Declaration and Auditors' Report.

Resolution 1 – Adopt Remuneration Report

To consider and, if thought fit, to pass the following as an ordinary resolution:

"That the Remuneration Report of the Company for the financial year ended 30 June 2013 be adopted".

Note: Under the Corporations Act 2001 (Cth), this resolution is advisory only and does not bind the Directors or the Company.

Voting exclusion statement

To the extent required by section 250R of the Corporations Act 2001 (Cth) (**Corporations Act**), a vote must not be cast (in any capacity) on Resolution 1 by or on behalf of a member of the Company's or the group's key management personnel (whose remuneration is disclosed in the Remuneration Report) or by a closely related party of such a member. However, a person (the "**voter**") may cast a vote as a proxy where the vote is not cast on behalf of such a member or a closely related party of such a member and the voter is either:

- (a) appointed as a proxy by writing that specifies how the proxy is to vote on Resolution 1; or
- (b) the chair of the meeting and the appointment of the chair as proxy does not specify how the proxy is to vote on Resolution 1 and expressly authorises the chair to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the key management personnel.

Resolution 2 - Re-election of Mr Terence Edward O'Connor AM QC

To consider and, if thought fit, to pass the following as an ordinary resolution:

"That Mr TE O'Connor, who retires in accordance with Article 60 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."

Resolution 3 - Re-election of Mr Wallace Macarthur King AO, BE, MEngSc, Hon DSc, Hon FIEAust, CPEng, FAICD, FAIM, FAIB, FTSE

To consider and, if thought fit, to pass the following ordinary resolution:

"That Mr WM King, who retires in accordance with Article 60 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."

Special Business**Resolution 4 – Financial Assistance**

To consider and, if thought fit, to pass the following as a special resolution:

“That:

- 1 for the purposes of section 260B(2) of the Corporations Act, approval is given for BTP Parts Pty Ltd ABN 28 096 533 283 (**BTP Parts**) to give financial assistance as described in the explanatory notes; and
- 2 BTP Parts may enter into and give effect to the documents required to implement the financial assistance as described in the explanatory notes.”

Other Business

To transact any other business that may be properly brought before the meeting in accordance with the Company's Constitution or the law.

By order of the Board



Domenic Santini
Company Secretary
Dated: 11 October 2013

NOTICE OF ANNUAL GENERAL MEETING 2013

Explanatory Statement

Resolution 1 – Adopt Remuneration Report

The Remuneration Report is included in the Directors' Report from page 26-34 of the Company's 2013 Annual Report, which accompanies this Notice of Meeting.

The Remuneration Report:

- describes the policies behind, and the structure of, the remuneration arrangements of the company and the link between the remuneration of key management personnel and the Company's performance; and
- sets out the remuneration arrangements in place for the Directors, the Managing Director and other key management personnel.

Section 250R(2) of the Corporations Act requires a resolution that the Remuneration Report be adopted be put to the vote at the Company's AGM.

In accordance with the Corporations Act the vote is advisory only and does not bind the Directors or the Company. The Board will consider the outcome of the vote and comments made by shareholders on this resolution at the AGM when reviewing the Company's remuneration policies.

In accordance with Division 9 of Part 2G.2 of the Corporations Act, if 25% or more of the votes cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (**spill resolution**) that another meeting be held within 90 days at which all of the Company's Directors (not including the Managing Director) must be up for re-election.

At the Company's last AGM the votes cast against the Remuneration Report represented less than 25% of the total votes cast. A spill resolution will therefore not be required for this AGM.

Key management personnel details of whose remuneration are included in the Remuneration Report and their closely related parties are prohibited from voting on Resolution 1, except in the circumstances described in the voting exclusion statement set out in the Notice of Meeting.

The Company encourages all eligible shareholders to vote in favour of adopting the Remuneration Report.

Resolution 2 – Re-election of Mr Terence Edward O'Connor AM QC

Mr Terence Edward O'Connor AM QC retires under the Director rotation provisions of Article 60 of the Company's Constitution. Mr O'Connor has been Chairman and a non-executive Director of the Company since 3 November 1993 and is Chairman of the Remuneration Committee and a Member of the Audit Committee.

Mr O'Connor is a Barrister. He is a graduate of the University of Western Australia, and was formerly a partner in the legal firm Stone James Stephen Jaques (now King & Wood Mallesons). Mr O'Connor was formerly the Chairman of the Western Australian Anti-Corruption Commission, the Chancellor of the University of Notre Dame Australia and a Commissioner of the Australian Football League. Mr O'Connor has held the position of Chairman since 1993.

Mr O'Connor, being eligible, offers himself for re-election as a Director.

The Board (other than Mr O'Connor) unanimously recommends that shareholders vote in favour of this resolution.

Resolution 3 – Re-election of Mr Wallace Macarthur King AO, BE, MEngSc, Hon DSc, Hon FIEAust, CPEng, FAICD, FAIM, FAIB, FTSE

Mr Wallace (**Wal**) Macarthur King AO retires under the Director rotation provisions of Article 60 of the Company's Constitution. Mr King has been a non-executive Director and Deputy Chairman of the Company since 5 April 2011 and is a member of the Remuneration Committee.

Mr King is a Civil Engineer and has worked in the construction industry for over 40 years. He was Chief Executive Officer of Leighton Holdings Limited (**Leighton**), a company with substantial operations in Australia, Asia and the Middle East, from 1987 until his retirement on 31 December 2010. He has continued on as a consultant to Leighton.

Mr King is an Honorary Fellow of the Institution of Engineers Australia, a Foundation Fellow of the Australian Institute of Company Directors, and a Fellow of the Australian Institute of Management, the Australian Institute of Building and the Australian Academy of Technological Sciences and Engineering.

Mr King, being eligible, offers himself for re-election as a Director.

The Board (other than Mr King) unanimously recommends that shareholders vote in favour of this resolution.

Resolution 4 – Financial Assistance (Financial Assistance Resolution)**1 Background to the requirement for the Financial Assistance Resolution****1.1 Restrictions on companies giving financial assistance**

Pursuant to section 260A(1) of the Corporations Act a company may financially assist a person to acquire shares (or units of shares) in the company or a holding company of the company only if:

- (a) giving the assistance does not materially prejudice:
 - (i) the interests of the company or its shareholders; or
 - (ii) the company's ability to pay its creditors; or
- (b) the assistance is approved by shareholders under section 260B of the Corporations Act; or
- (c) the assistance is exempted under section 260C of the Corporations Act.

The requirements for shareholder approval under section 260B of the Corporations Act are described in section 1.2 below.

1.2 Shareholder approval of financial assistance

Under section 260B(1) of the Corporations Act, for a company to financially assist a person to acquire shares (or units of shares) in itself or its holding company, the financial assistance must be approved by:

- (a) a special resolution passed at a general meeting of the company, with no votes being cast in favour of the resolution by the person acquiring the shares (or units of shares) or by their associates; or
- (b) a resolution agreed to, at a general meeting, by all ordinary shareholders.

If the company will be a subsidiary of a listed domestic corporation immediately after the acquisition, the financial assistance must also be approved by a special resolution passed at a general meeting of that corporation under section 260B(2) of the Corporations Act.

1.3 Shareholders approval

The purpose of these explanatory notes is to explain in further detail the proposed Financial Assistance Resolution set out in the Notice which must be passed under section 260B(2) of the Corporations Act to enable BTP Parts to provide the financial assistance in connection with the Acquisition (as further described in section 2 below).

2 The Acquisition

2.1 Acquisition of BTP Parts

BTP Equipment Pty Ltd (ABN 55 128 386 201) (previously Ausdrill Mining Services Pty Ltd) acquired the entire issued share capital of BTP Parts pursuant to a Share and Unit Sale Agreement dated 31 October 2012 (**Acquisition**).

BTP Parts became a subsidiary of the Company, a listed domestic corporation, immediately after the Acquisition.

2.2 The Financing

In connection with the Acquisition and other associated transactions, it is proposed that BTP Parts will enter into one or more transaction documents as described in schedule 1 (**Documents**), including without limitation:

- (a) an accession letter relating to the facility agreement between the Company, Commonwealth Bank of Australia (in its capacity as Facility Agent) (**Agent**), CBA Corporate Services (NSW) Pty Ltd (in its capacity as Security Trustee) (**Security Trustee**) and others dated 5 October 2012 (**Facility Agreement**);
- (b) an accession letter relating to the common terms deed between the Company, the Agent, the Security Trustee and others dated 5 October 2012 (**Common Terms Deed**) whereby BTP Parts will provide a guarantee and indemnity in favour of each Finance Party (as defined in the Common Terms Deed) (**Finance Party**) for any amounts owed under the Finance Documents (as defined in the Common Terms Deed) (**Finance Documents**); and
- (c) an accession letter relating to the security trust deed between the Company, the Agent, the Security Trustee and others dated 5 October 2012 (**Security Trust Deed**) and general security agreement granted by the Company (amongst others) in favour of the Security Trustee dated 5 October 2012 (**General Security Agreement**).

The facilities provided under the Facility Agreement were drawn, among other purposes, partially to fund the Acquisition and any costs in connection with the Acquisition (**Financing**).

The Acquisition and the Financing together is referred to as the **Transaction**.

3 Effect of the proposed financial assistance

The provision of guarantees and indemnities under the Common Terms Deed, the grant of security under the General Security Agreement and the execution of one or more of the Documents, may involve the provision of financial assistance by BTP Parts in connection with the Acquisition including without limitation:

- (a) (joint and several liability): BTP Parts will assume a joint and several liability with the Company and other guarantors;
- (b) (guarantee and indemnities): the Finance Parties (as defined in the Common Terms Deed) may be entitled to claim by way of guarantee and indemnities provided by BTP Parts, in whole or in part, any amounts owed under the Facility Agreement or other Finance Documents;
- (c) (enforcement of security): the Security Trustee may be entitled to enforce the security granted by BTP Parts and apply the proceeds of enforcement towards repayment of the amounts owed under the Facility Agreement or other Finance Documents;
- (d) (representation and warranties and undertakings): BTP Parts will provide certain representations, warranties and undertakings, and have certain restrictions imposed on the ability to:
 - (i) grant further security over its assets or dispose of assets;
 - (ii) make distributions to its shareholders; and
 - (iii) borrow money in the future or to incur further financial indebtedness;
- (e) (event of default): BTP Parts will be subject to certain events of default under the Facility Agreement or other Finance Documents;
- (f) (other support): BTP Parts may be required to make available directly or indirectly its cash flows (whether through dividends, capital distributions, intercompany loans or otherwise) or other resources in order to enable the Company and other guarantors to comply with their payment and other obligations under the Facility Agreement or other Finance Documents.

4 Reasons for giving financial assistance

The main reasons for the giving of the financial assistance described above in connection with the Acquisition are:

(a) the Company undertakes in the Finance Documents to ensure that on each reporting date:

(i) the guarantors will in aggregate comprise not less than:

(A) 90% of EBITDA; and

(B) 90% of total assets; and

(ii) any subsidiary comprising more than 5% of EBITDA and/or total assets will be a guarantor.

In order to comply with this undertaking BTP Parts must accede as a guarantor and security provider. If BTP Parts does not accede and provide the security, this may be a breach of an undertaking and may result in an event of default occurring. This would affect the Company's ability to provide funding to BTP Parts and ultimately, the Company's funding for general corporate purposes;

(b) it benefits BTP Parts to assist the Company (as its holding company) to continue to have access to financing in order to ensure the Company can provide its subsidiaries, including BTP Parts, with finance on better terms than would be available to BTP Parts on a stand-alone basis; and

(c) BTP Parts is interested in the financial well-being of the Company (as its ultimate holding company), and it is in BTP Parts' interests to assist the Company to have access to financing, because the Company provides the subsidiaries, including BTP Parts, with skills or with management and with other services.

5 Financial Assistance Resolution

To summarise, it is proposed that the giving by BTP Parts of the financial assistance in connection with the Acquisition be approved by the shareholders of the Company passing the Financial Assistance Resolution pursuant to section 260B(2) of the Corporations Act. The Financial Assistance Resolution is set out in the Notice accompanying these explanatory notes.

Shareholders of the Company may vote either for or against the Financial Assistance Resolution. The Financial Assistance Resolution will be passed if a special resolution is passed at a general meeting of the Company.

6 Prior notice to Australian Securities & Investments Commission

As required by section 260B(5) of the Corporations Act, copies of the Notice and these explanatory notes as sent to the shareholders were lodged with the Australian Securities & Investments Commission before their dispatch to the shareholders.

7 Disclosure

The directors of the Company consider that the Notice and these explanatory notes contain all information known to the Company that would be material to the shareholders in deciding how to vote on the proposed resolution other than information which it would be unreasonable to require the Company to include because it has been previously disclosed to the shareholders of the Company.

8 Directors' recommendation

Based on information available at this time, the directors of the Company believe that the Transaction is not materially prejudicial to the interests of BTP Parts or its shareholders, or the ability of BTP Parts to pay its creditors.

However, the directors consider it prudent and consistent with good business practice to seek shareholders' approval. The Finance Parties have also requested the Company to do so.

Schedule 1 - Documents

Any and all agreements, deeds, instruments, notices, consents, forms and other documents for the purpose of, in connection with, ancillary or incidental to or in any way relates to the Acquisition as referred to in these explanatory notes, including, without limitation, any of the documents listed below:

- (a) an accession letter relating to the Facility Agreement;
- (b) an accession letter relating to the Common Terms Deed;
- (c) an accession letter relating to the Security Trust Deed and General Security Agreement;
- (d) any subsequent document for the purposes of replacing, varying and/or refinancing all or any part of the facilities on the same or different terms to the Facility Agreement;
- (e) any new guarantees or security to be given as a result of the restructure, replacement, variation and/or refinancing all or any part of the facilities under the Facility Agreement;
- (f) any other document defined or designated as a "Finance Document" under or pursuant to the Facility Agreement and/or Security Trust Deed;
- (g) any other document which is substantially the same in form and substance to any of the above documents but has a different title or description or different parties;
- (h) any document referred to in, defined and scheduled in or appended to any of the above documents;
- (i) any document required or requested in respect of stamp duty payable on any of the above documents;
- (j) any ASIC or land title forms required for the registration of any document listed or referred to above;
- (k) a certificate of compliance signed by two directors of BTP Parts in relation to section 260B of the Corporations Act; and
- (l) any other document, instrument, deed, agreement, certificate, notice, direction or communication, whether or not of the same kind as those listed above, which is necessary, desirable or expedient for giving effect to any of the provisions of any of the above documents or to any of the transactions contemplated by any of the above documents.

Notes

Point at which voting rights are determined

In accordance with the Company's Constitution and the Corporations Regulations 2001 (Cth) the Board has determined that the members entitled to attend and vote at the meeting shall be those persons who are recorded in the register of members at 4.00 pm (WST) on Tuesday 19 November 2013.

Voting by Proxy

If you are unable to attend and vote at the meeting and wish to appoint a person who is attending as your proxy, please complete the attached form of proxy.

Information for voting by proxy:

- Each member entitled to attend and vote at the meeting may appoint not more than two proxies to attend and vote instead of such member.
- Where more than one proxy is appointed each proxy must be appointed to represent a specific proportion of the member's voting rights. If the appointment does not specify the proportion of the member's voting rights each proxy may exercise half of the member's voting rights.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing, or if such appointor is a corporation as required by its constitution or the hand of its attorney.
- A proxy need not be a member of the Company.
- In the case of joint holders each holder should sign the proxy form.
- Should you wish to direct your proxy how to vote please indicate your direction in the appropriate box(es) on the proxy form otherwise your proxy will have a discretion to vote as he/she thinks fit.
- Where the chairman is appointed proxy he will vote in accordance with the member's directions as specified on the proxy form or, in the absence of direction, in favour of the resolutions contained in this notice.
- For Resolution 1, if the chairman is your proxy or is appointed as your proxy by default, you may direct the chairman how to vote by ticking the relevant box on the proxy form. If you do direct the chairman how to vote by ticking the relevant box on the proxy form, the chairman will cast your votes on Resolution 1 in accordance with your directions. If you do not direct the chairman how to vote, you will be directing the chairman to vote in accordance with the chairman's voting intentions in respect of Resolution 1 (that is, in favour of Resolution 1) and expressly authorising the chairman to exercise your proxy in respect of Resolution 1 even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel.
- Proxies should be returned as follows:

Online:

At www.investorvote.com.au

By Mobile:

Scan the QR Code on your Proxy form and follow the prompts

By Mail to:

Computershare Investor Services Pty Ltd
GPO Box 242
Melbourne Victoria 3001
Australia

By Facsimile Transmission to:

1800 783 447 (within Australia) or
+61 3 9473 2555 (outside Australia)

By Hand to:

Computershare Investor Services Pty Ltd
Level 2
45 St George's Terrace
Perth, Western Australia 6000

Custodian voting

For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions.

- To be effective a completed proxy form and the power of attorney (if any) under which the proxy form is signed (or a certified copy of the power of attorney) must be received by 10.00 am WST on Tuesday 19 November 2013 (being 48 hours before the meeting).

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 367 027
(outside Australia) +61 3 9415 4000

000001 000 ASL
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form



Vote and view the annual report online

Go to www.investorvote.com.au or scan the QR Code with your mobile device.
Follow the instructions on the secure website to vote.



Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 10.00 am (WST) on Tuesday, 19 November 2013

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** ➔

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Ausdrill Limited hereby appoint

☐

the Chairman
of the Meeting OR



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Ausdrill Limited to be held at Duxton Hotel, 1 St Georges Terrace, Perth, Western Australia on Thursday, 21 November 2013 at 10.00am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2 below.

STEP 2 Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Terence Edward O'Connor AM QC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Mr Wallace Macarthur King AO, BE, MEngSc, Hon DSc, Hon FIEAust, CPEng, FAICD, FAIM, FAIB, FTSE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Financial Assistance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date

/ /

ASL

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Computershare +