HALF YEAR RESULTS - 31 DEC 2014

25 FEBRUARY 2015

Overview

- Challenging conditions remain as mining companies pursue cost reduction strategies leading to lower margins
- Strong operational Cash flow generation in tough market of $76.9 million
- Net capital expenditure restricted to $9.9 million
- Deleveraging strategy continued with debt repayments totalling $56.8 million
- Successful re-financing of Senior Secured Debt – now maturing March 2018
- Asset finance continues to amortise
- Fully franked interim dividend of 1.0 cent per share declared
- Significant non cash items include impairment of intangibles $10.3 million and plant and equipment $187.0 million
- Basic Earnings per Share down to a loss of 56.81 cents per share

Operational Performance

- Margins and revenues impacted by:
    - lower material movements and cost reduction strategies throughout the mining industry
    - low equipment deployment in equipment hire
    - Very low exploration activity in Africa
    - provisions for doubtful debts – Western Desert Resources $7.5m
    - lower contribution from AUMS JV
- Strong focus on safety with the roll out of **“One Safe - All Safe”** initiative
- Group employees (including AUMS JV) decreased to 4,477 from 4,536 in corresponding period

Australia – Contract update

- A 3 year contract for Goldfields to provide exploration drilling services at its St Ives gold mine in Western Australia
- A 6–8 month contract for a Schramm TXD200 drill rig to provide shallow well land drilling for Heritage PNG, in Papua New Guinea
- A 4 year contract for Piacentini & Son to provide drill and blast services at its Huntly Aluminium mine in Western Australia

Africa – Contract update

- 12 month contract extension to AngloGold Ashanti for open pit mining services at its Iduapriem gold mine, Ghana
- Work commenced at Syama Satellite pits but Stage 2 cutback at sulphide pit deferred

FINANCIAL PERFORMANCE

Profit and Loss

A$ million	6 months to Dec 13	6 months to Jun 14	6 months to Dec 14	% Change from previous corresponding period
Sales Revenue	423.4	402.9	413.6	(2.3%)
EBITDA (1)	94.1	79.6	59.1	(37.2%)
EBITDA Margin	*22.2%*	*19.7%*	*14.3%*	*(790 bp)*
EBIT (2)	40.5	33.9	15.0	(63.1%)
EBIT Margin	*9.6%*	*8.4%*	*3.6%*	*(600 bp)*
Net Profit (3)	19.2	14.8	19.9	3.7%
Net Profit Margin	*4.5%*	*3.7%*	*4.8%*	*30 bp*
Return on Average Capital (4)	4.6%		2.0%	*(260 bp)*

- Revenues stabilised at reduced levels
- Profits and margins impacted by slowdown in demand for mining services

1) EBITDA = Profit before tax from continuing operations plus depreciation, amortisation and impairment expense plus net finance costs
2) EBIT = Profit before tax from continuing operations plus impairment expense and net finance costs
3) Net Profit = Profit from continuing operations plus impairment expense
4) Return on average capital = After tax EBIT plus impairment expense/sum of average receivables, inventories, PP&E, intangibles, associates less trade payables and current tax payable

Balance Sheet

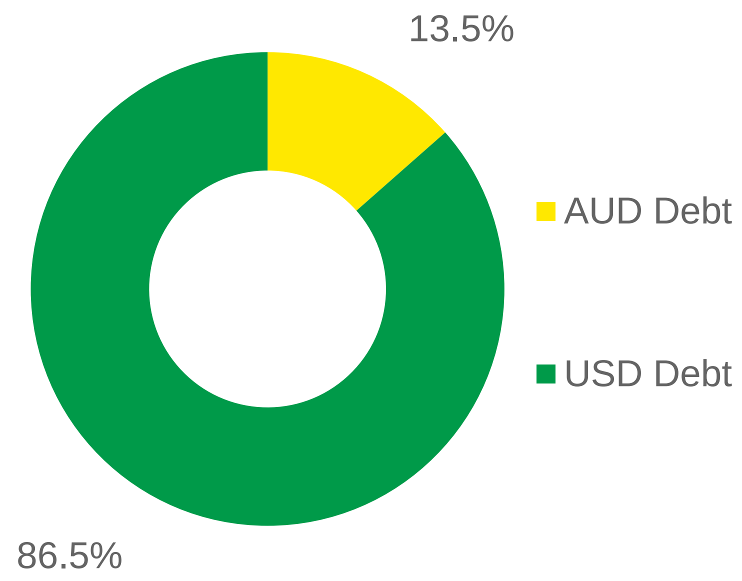
A$ million	June 14	Dec 14
Cash and cash equivalents	62.7	77.2
Receivables	157.6	143.7
Inventories	233.1	236.2
Property, plant and equipment	777.2	579.2
Intangibles	10.6	-
Other Assets	126.3	142.3
Total Assets	**1,367.5**	**1,178.5**
Payables	110.7	116.3
Borrowings	453.3	458.6
Provisions	12.1	10.9
Other Liabilities	39.1	29.3
Total Liabilities	**615.2**	**615.1**
Shareholder Equity	**752.3**	**563.4**

Note: Columns may not add due to rounding

- At 31 December 2014 the Group had net debt of $ 381.4 million
- NTA per share decreased to $1.80 per share
- Receivables reduced by 8.9%
- Inventories increased by 1.3% (reduction of 1.9% if FX translation effect on Africa segment is excluded)

Group Debt Position (1)

- At 31 Dec 2014 the Group had gross debt of $458.6 million, net debt of $381.4 million
- USD debt naturally hedged with African business
- Gearing (Net Debt : Net Debt & Equity) is 40%
- Net Interest Cover (EBITDA: Net Interest) of 3.8 x
- Net Secured Debt: EBITDA of 0.1 x
- No off balance sheet debt
- AUMS JV is separately funded and is not included on balance sheet as it is equity accounted



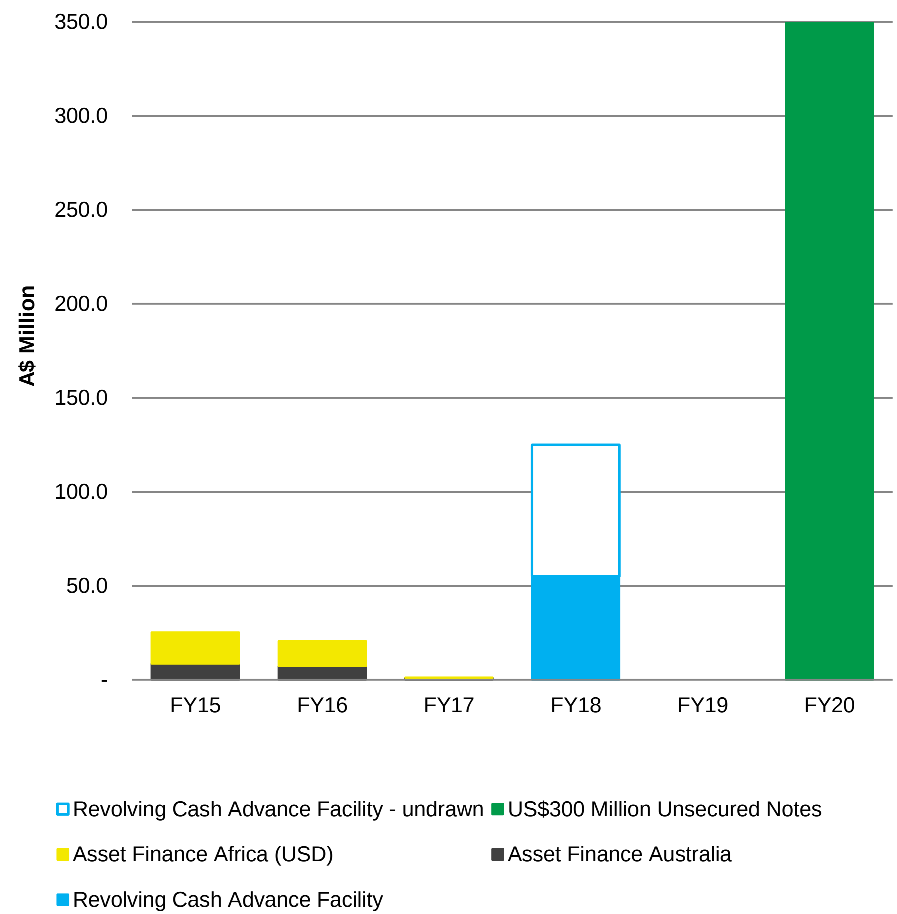
(1) Includes pre-paid borrowing costs

Group Debt Position and Maturity Profile

A$ million	Jun 14	Dec 14
Revolving cash advance facility	75.0	55.0
Asset finance and other loans	70.4	47.0
US$300 million unsecured notes	318.2	366.6
Total borrowings [1]	463.6	468.6
Cash and cash equivalents	**(62.7)**	**(77.2)**
Net Debt	400.9	391.4
Gearing Ratio	**34.8%**	**40.4%**

- Borrowings include FX translation impact of $52.3 m due to falling A$ during the period

(1) Excludes pre-paid borrowing costs



Cash Flow

A$ million	6 months to Dec 13	6 months to Dec 14
Operating cash flows after interest and tax	65.7	76.9
Debt repayments	(73.4)	(64.3)
Capital expenditure	(31.9)	(12.6)
Proceeds from asset disposals	6.8	2.7
Proceeds from secured borrowings	25.0	7.5
Loan repaid by Associates	2.4	6.7
Other movements	(1.5)	0.1
Cash flow before shareholder return	(7.0)	17.0
Dividends	(17.2)	(6.2)
Net Cash Flow	**(24.1)**	**10.7**

Note: Columns may not add due to rounding

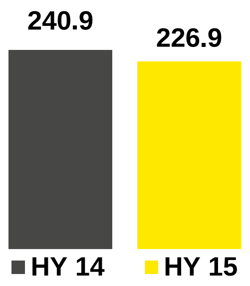
Working Capital Changes since June 2014	A$m
Receivables	(14.0)
Inventories	3.1
Payables	(5.5)
Net decrease	**(16.4)**

Excludes the negative effect of FX translation on working capital of $7.4 m

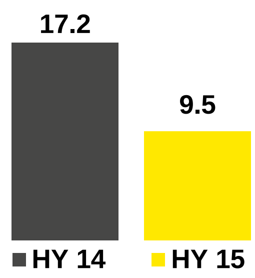
Mining Services Australia

External Sales Revenue* ($m)

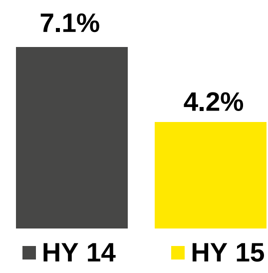
* Excluding intersegment sales



EBIT($m)



EBIT Margin

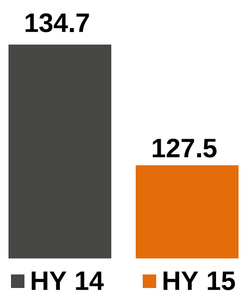


- Revenues impacted by challenging conditions in mining industry which translate to subdued activity levels
- Exploration activity remains very low except for the Pilbara region and from key clients in Goldfields
- Demand for equipment, parts and maintenance remains at subdued levels
- Drill & Blast services in the Pilbara decreasing as majors target cost reductions
- Exploration slowdown continues to impact on MinAnalytical revenues
- New contracts with Goldfields, Piacentini & son and Heritage Oil
- Margins impacted by provision for doubtful debts and underperformance at EDA and MinAnalytical
- Impairment expense not included above

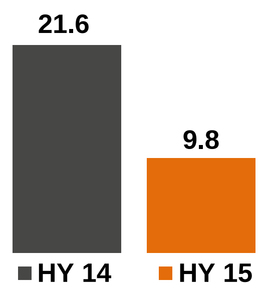
Contract Mining Services Africa

External Sales Revenue* ($m)

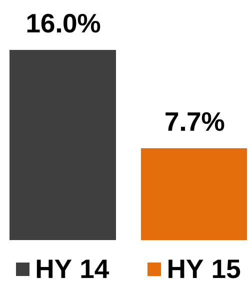
* Excluding intersegment sales



EBIT($m)



EBIT Margin

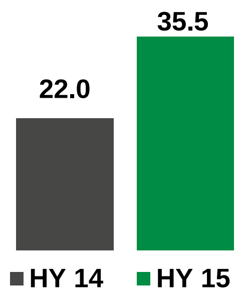


- Revenues lower due to reduced volumes and project delays due to depressed market conditions
- Syama satellite pits commenced however stage 2 cutback delayed and lower volumes at Edikan
- Iduapriem (Ghana) and Siguiri (Guinea) projects for AngloGold are performing well
- African Underground Mining Services (50% owned) contributed net profit of $2.2 million (HY14: $5.3 million) and is excluded from above results
- Effect of lower average A$ has had 12% positive impact on reported revenues and earnings this half year compared to corresponding period
- Impairment expense not included above

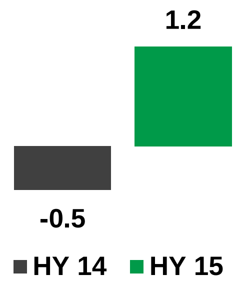
Manufacturing

External Sales Revenue* ($m)

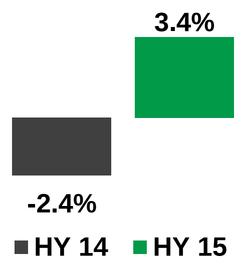
* Excluding intersegment sales



EBIT($m)



EBIT Margin

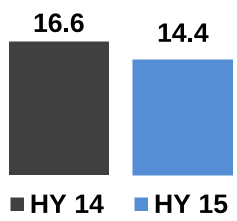


- Commenced supply of drilling consumables for BHPB in the Pilbara leading to increased revenues
- Reported margins include effects of amortisation of intangibles of $0.3 million (HY14: $0.3 million)
- Impairment expense not included above

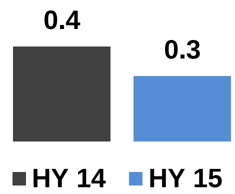
Supply and Logistics

External Sales Revenue* ($m)

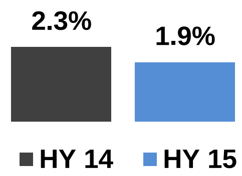
* Excluding intersegment sales



EBIT($m)



EBIT Margin

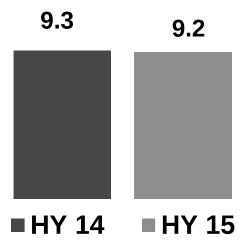


- Revenues impacted by lower activity levels

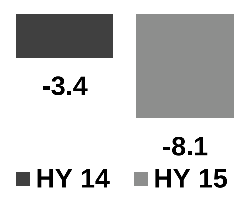
Other Segments

External Sales Revenue* ($m)

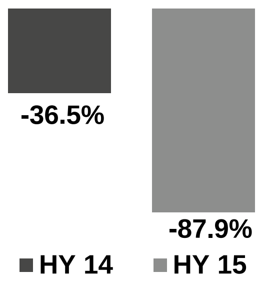
* Excluding intersegment sales



EBIT($m)



EBIT Margin



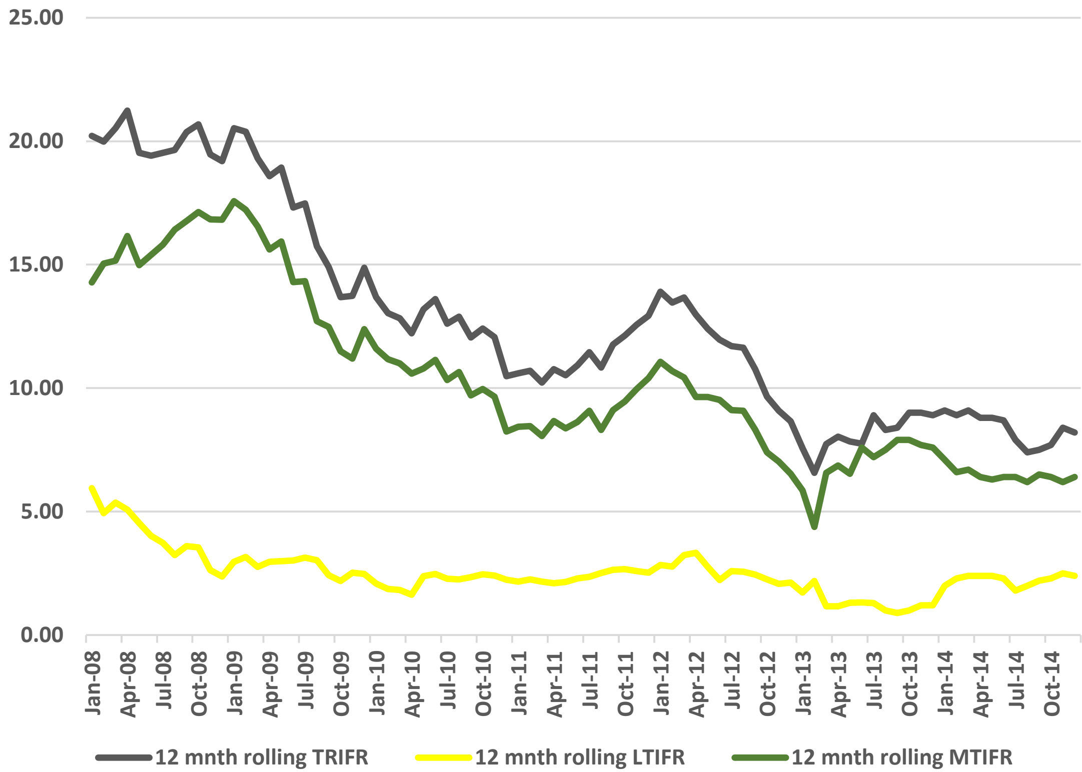
- Comprises Diamond Communications, Properties, Corporate overheads and Finance
- EBIT includes FX losses of $3.1 million (HY14 Gain of $2.7 million)

African Underground Mining Services

A$ million (pro-forma)	6 months to Dec 13	6 months to Jun 14	6 months to Dec 14
Revenue	**79,161**	**58,002**	**47,646**
EBITDA	**17,530**	**6,255**	**9,801**
EBITDA Margin	*22.1%*	*10.8%*	*20.6%*
EBIT	**8,130**	**(3,764)**	**2,797**
EBIT Margin	*10.3%*	*(6.5%)*	*5.9%*
Profit before tax	**6,846**	**(4,814)**	**2,279**
Net profit after tax	**5,253**	**(3,807)**	**2,219**

- Revenues and profits fell as AUMS activity levels declined
- Currently focussed in Ghana, Burkina Faso and Mali
- Work restarted at Perkoa project
- Contract at Gara/Yalea for Randgold to be terminated in next 3 to 6 months
- The reported segment results for Contract Mining Services - Africa only includes the equity accounted share of profits of African Underground Mining Services (50% owned)

SAFETY AND PEOPLE

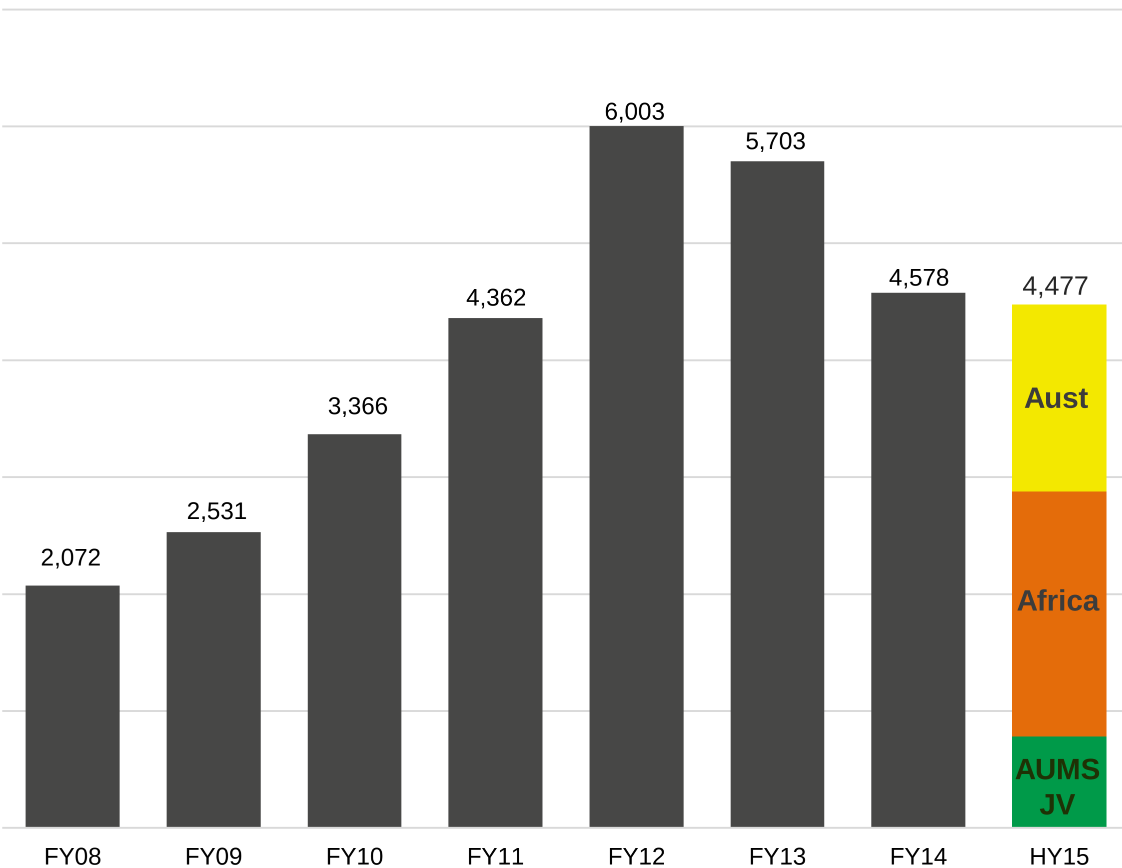


LTIFR: Lost Time Injury
MTIFR: Medical Treatment Injury
TRIFR: Total Recordable Injuries (sum of LTI's and MTI's)

Current Projects

ONESAFE ALLSAFE IT'S THE AUSDRILL WAY

- Development of the handbook and training module for the **One Safe – All Safe** program
- Alignment of the Safety Management System to gain AS4801 certification for more Business Units, with the aim to eventually have the whole Group certified
- Training on how to use the customised MYOSH Change Management module which was released in December
- Due to the success of the online induction modules we are continually developing more online training modules for a number of business units



- At 31 December 2014 the number of employees within the Group, including jointly owned entities, decreased to 4,477 – a decrease of 1.3% from June 2014.
- The total number of Australian employees reduced from 2,135 in July 2013 to 1,796 in June 2014, a decline of 15.9% due to redundancies and natural attrition.

OUTLOOK AND STRATEGY

Current Environment

- General exploration activity shows no signs of improving – affects exploration drilling, mineral assaying and some manufacturing
- Equipment hire continues to experience tough conditions
- General focus on costs – reduced spend by miners affects maintenance activities
- Environment remains competitive
- Iron ore price weaker, however, production volumes rising
- Gold prices are volatile, however, world economies still mixed and subject to uncertainty
- Weaker A$ provides cushion for domestic miners
- Equity markets still not conducive to funding of new resource projects
- Tender activity still provides opportunities for Ausdrill to source new work

Strategic Initiatives

Ausdrill's strategy is to continue its focus on strengthening its business by:

- improving our clients' knowledge of the benefits of the package of diversified services offered by the Ausdrill Group;
- working with our clients to improve service, safety and productivity whilst maintaining quality;
- identifying and pursuing new opportunities;
- reviewing cost structures within the Group, including employee numbers;
- improving performance of specialist services provided, including MinAnalytical and Energy Drilling Australia;
- reviewing working capital to ensure that it is commensurate with current levels of activity;
- restricting capital expenditure to replacement needs or identified growth opportunities;
- reduce debt; and
- extracting and realising the full benefit of cost synergies and revenue opportunities within the Group.

Targeted Outcomes

- Continue to deleverage the business over by:
  - Capital expenditure to be restricted with replacement capex to recommence in approximately 2 years time
  - Reducing inventory hold levels
  - Maintain dividends at no less than historic payout ratios
  - Target contract renewals as they roll-off or alternative work sourced
- Improve performance through productivity gains with clients
  - Improved labour productivity in softer market
  - Engagement with clients in response to cost pressures
- Become the preferred service provider in the region
  - Improve visibility of Ausdrill service offerings

APPENDICES

APPENDICES

MINING

Our contract mining businesses are some of the largest and most experienced in Africa. They provide a complete **surface and underground mining service** including people, expertise and equipment.

DRILLING

Our drilling businesses are some of the most advanced in the world, providing **exploration, drill and blast, grade control and water well drilling** for mining, together with **production drilling and well servicing** for the oil and gas industry.

EQUIPPING

Our equipment, manufacturing and parts businesses keep our resource customers, and Group businesses, fully equipped to mine. They provide **earthmoving fleet hire and sales, equipment parts, dump truck bodies, drill rigs, drilling consumables, mineral analysis and explosives**

SUPPLYING

Our supply businesses procure and deliver the **mining equipment, parts and consumables** customers need to keep their mining operations working efficiently around the world

MINING SERVICES
AUSTRALIA

Consolidated Minerals
Exploration drilling services

Kimberley Metals – Ridges Iron Ore
Equipment hire

BHPBIO – Pilbara
Exploration drilling services

BHPBIO – Pilbara region
Equipment hire

BHPBIO – Pilbara region
Drill and blast services

Rio Tinto (Pilbara Iron)
Master Services Agreement
Exploration drilling services

Piacentini & Son – Huntly Aluminium
Drill and blast services

First Quantum Minerals – Ravensthorpe Nickel
Drill and blast services
Grade Control Services

Heritage PNG – Papua New Guinea
Shallow well land drilling

Ensham Resources – Ensham, QLD
Production drilling services
Associated since 2004

Senex Energy – Cooper Basin, QLD
Multi well drilling program - oil and gas exploration

Oz Minerals – Prominent Hill
Production drilling and grade control
Associated since 2007

KCGM – Superpit
Production drilling and grade control
Associated since 1989

Gold Fields – Kambalda
Exploration drilling services
Associated since 1996

La Mancha – White Foil
Exploration drilling services
Drill and blast and grade control services

Northern Star – Kundana
Exploration drilling services

CONTRACT MINING SERVICES
AFRICA

Resolute Mining – Syama, Mali
Gold - Open pit mining services

AngloGold Ashanti – Siguiri, Guinea
Gold - Open pit mining services

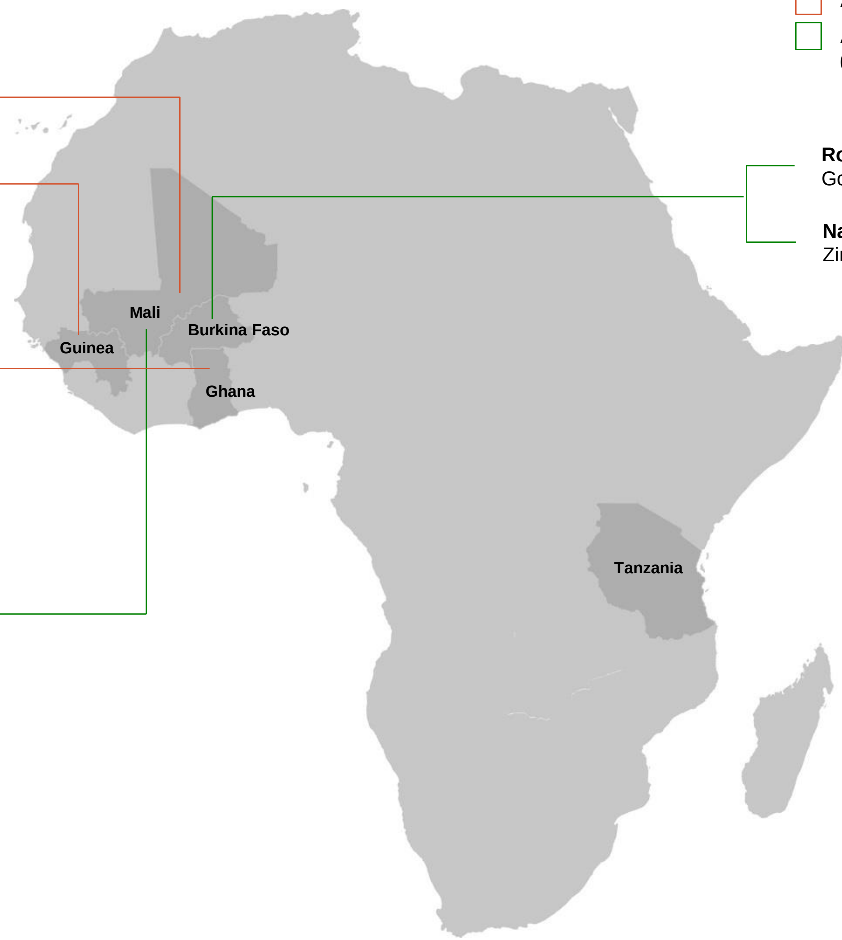
AngloGold Ashanti – Iduapriem, Ghana
Gold - Open pit mining services

Endeavour Mining – Nzema, Ghana
Gold - Open pit mining services

Perseus Mining – Edikan, Ghana
Gold - Open pit mining services

Randgold Resources – Gara, Loulo Operation, Mali
Gold - Underground mining services

Randgold Resources – Yalea - Loulo Operation, Mali
Gold - Underground mining services



African Mining Services

African Underground Mining Services (AUMS 50% JV)

Roxgold – Yaramoko, Burkina Faso
Gold - Underground Development

Nantou Mining – Perkoa, Burkina Faso
Zinc - Underground Development

OUR EQUIPMENT

Surface Mining

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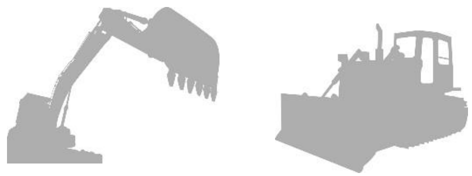

Underground Mining

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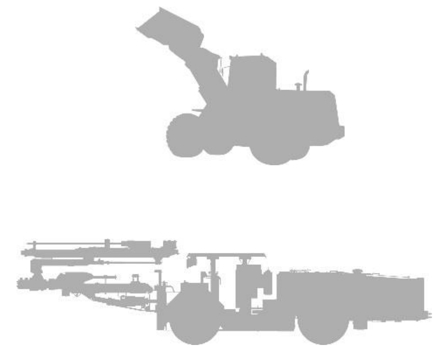

Drill Rigs

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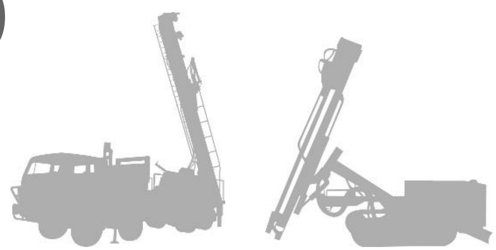

Oil & Gas Rigs

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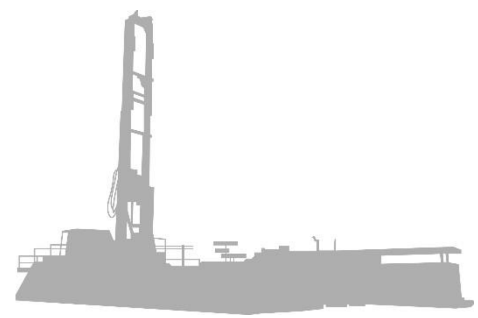


Note: Numbers represent the number of major equipment items owned by the Group and AUMS

PROFIT AND LOSS - A$ million	6 months to Dec 13	6 months to Jun 14	6 months to Dec 14	% Change from previous corresponding period
Sales Revenue	423.4	402.9	**413.6**	(2.3%)
Interest Income	0.7	0.8	**1.1**	48.1%
Materials	(144.8)	(145.2)	**(167.8)**	15.8%
Labour	(158.1)	(134.7)	**(140.2)**	(11.3%)
Rental and hire	(6.9)	(6.6)	**(6.5)**	(6.6%)
Depreciation & Amortisation Expense	(53.6)	(45.6)	**(44.2)**	(17.5%)
Finance Costs	(21.5)	(20.1)	**(19.2)**	(10.7%)
Share of Associates Profits/(losses)	5.3	(3.8)	**2.2**	(57.8%)
Other items	(24.7)	(33.1)	**(42.3)**	70.7%
Profit Before Tax*	19.8	14.6	**(3.1)**	(115.7%)
EBITDA*	94.1	79.6	**59.1**	(37.2%)
*EBITDA Margin**	*22.2%*	*19.7%*	*14.3%*	
EBIT*	40.5	33.9	**15.0**	(63.1%)
*EBIT Margin**	*9.6%*	*8.4%*	*3.6*	
Profit attributable to Ausdrill	14.5	(57.2)	**(177.4)**	(1,326.8%)
*Net Profit Margin**	*4.4%*	*(14.2%)*	*(42.9%)*	

* Excluding impairment expense

Note: Columns may not add due to rounding

BALANCE SHEET - A$ million	31 Dec 13	30 Jun 14	31 Dec 14
Cash and cash equivalents	56.8	62.7	77.2
Current Receivables	170.7	157.6	143.7
Inventories	254.2	233.1	236.2
Property, plant and equipment	825.0	777.2	579.2
Intangibles	72.2	10.6	-
Other Assets	129.9	126.3	142.3
Total Assets	**1,508.9**	**1,367.5**	**1,178.5**
Payables	122.2	110.7	116.3
Borrowings	505.0	453.3	458.6
Provisions	12.1	12.1	10.9
Other Liabilities	43.4	39.1	29.3
Total Liabilities	**682.7**	**615.2**	**615.1**
Shareholder Equity	**826.2**	**752.3**	**563.4**
Net Debt	**448.2**	**390.6**	**381.4**

Note: Columns may not add due to rounding

CASH FLOW - A$ million	6 months to Dec 13	6 months to Jun 14	6 months to Dec 14
Receipts from customers (inclusive of GST)	473.1	439.2	462.0
Payments to suppliers and employees (inclusive of GST)	(372.8)	(347.0)	(369.0)
	100.2	**92.1**	**93.0**
Interest received	0.7	0.8	1.0
Interest and other costs of finance paid	(18.1)	(13.3)	(16.8)
Income taxes paid	(18.1)	(3.9)	(2.2)
Other	0.9	0.6	1.8
Net cash inflow from operating activities	**65.7**	**76.4**	**76.9**
Payments for property, plant and equipment	(31.9)	(32.8)	(12.6)
Proceeds from sale of property, plant and equipment	6.8	3.4	2.7
Other	0.9	(2.6)	6.8
Net cash (outflow) from investing activities	**(24.2)**	**(32.0)**	**(3.1)**
Proceeds from secured borrowings	25.0	22.5	7.5
Repayment of borrowings	(52.1)	(25.9)	(54.3)
Repayment of hire purchase and lease liabilities	(21.3)	(25.2)	(10.1)
Dividends paid to company's shareholders	(17.2)	(7.8)	(6.2)
Other	0.0	0.8	0.0
Net cash (outflow) inflow from financing activities	**(65.6)**	**35.6**	**(63.1)**
Net (decrease) increase in cash and cash equivalents	**(24.1)**	**8.8**	**10.7**
Cash and cash equivalents at the beginning of the period	78.8	56.8	62.7
Effects of exchange rate changes on cash and cash equivalents	2.1	(2.9)	3.8
Cash and cash equivalents at end of period	**56.8**	**62.7**	**77.2**

Note: Columns may not add due to rounding

CAPITAL STRUCTURE

Share price (close as at 24 Feb 2015)	$0.39
Fully paid ordinary shares	312.3 million
Market capitalisation (undiluted)	$121.8 million
Net Tangible Assets (31 Dec 2014)	$563.4 million
Cash (as at 31 Dec 2014)	$77.2 million
Debt (as at 31 Dec 2014)	$458.6 million
Enterprise value	$503.2 million
Net Debt/Net Debt & Equity (as at 31 Dec 2014)	40%

SHARE PRICE PERFORMANCE (REBASED)

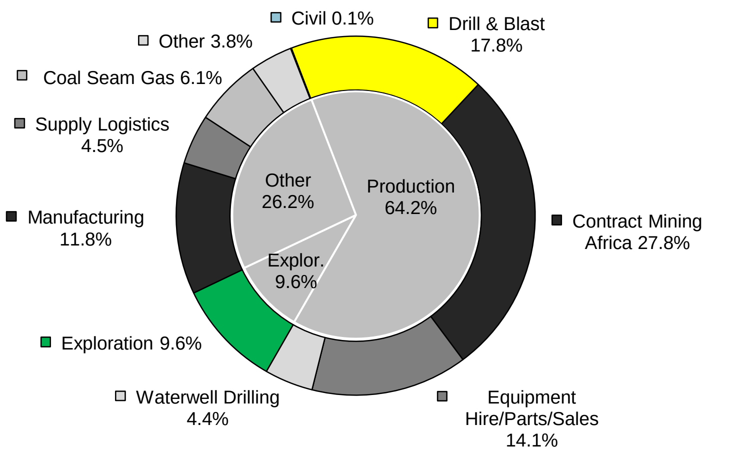
DIRECTORS AND SENIOR MANAGEMENT

Terence O'Connor	Chairman, Non-executive Director
Ronald Sayers	Managing Director
Terrence Strapp	Non-executive Director
Donald Argent	Non-executive Director
Mark Connelly	Non-executive Director
Mark Hine	Non-executive Director
José Martins	Chief Financial Officer
Alex McCulloch	COO Australian Operations
John Kavanagh	COO African Operations
Domenic Santini	Company Secretary
Strati Gregoriadis	General Counsel/Company Secretary

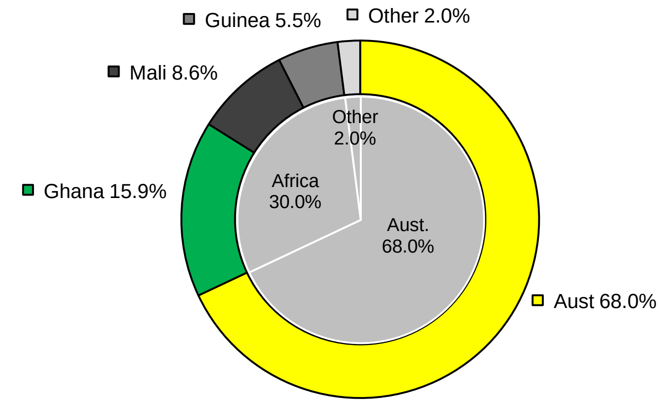
SUBSTANTIAL SHAREHOLDERS

Name	Shareholding
Ronald Sayers / Cherry Garden Nominees	11.80%
FMR LLC	7.14%
PM & JL Bartlett / Bremerton Group	6.19%
Invesco	5.47%

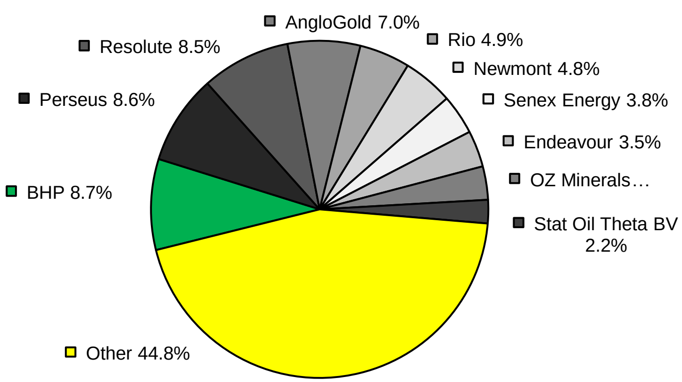
Sales Revenue By Business Activity (1)



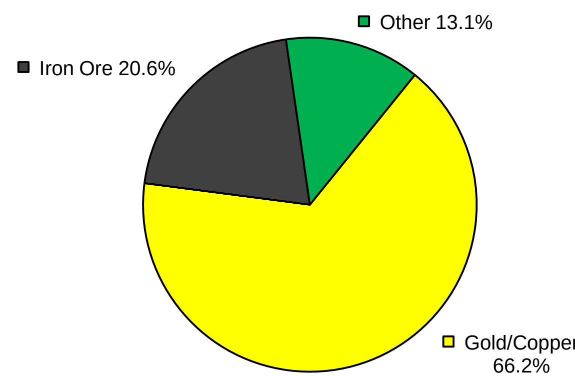
Sales Revenue By Geography (1)



Sales Revenue By Top 10 Customers (1)



MSA and CMSA Sales Revenue by Commodity (2)



Notes

1. Based on HY15 sales. Figures may not add due to rounding
2. Based on HY15 sales revenue for Mining Services Australia (MSA) and Contract Mining Services Africa (CMSA) – representing 86.8% of total revenue

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