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Date: 2 November 2018

To: ASX Market Announcements Office

Fax: 1300 135 638

From: Antony Rumboll

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Tel: +61 2 8922 5102

Ref: 85227469-000003


Pages (w/cover): 5

Re: **Ausdrill Limited (ASX:ASL) - Notice of becoming a substantial holder**

Dear Sir/Madam

Please find enclosed notice of initial substantial holder (ASIC Form 603) in relation to Ausdrill Limited (ASX:ASL).

Yours sincerely



Antony Rumboll

Partner

+61 2 8922 5102

Antony.Rumboll@bakermckenzie.com

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Form 603

Corporations Act 2001

Section 671B

Notice of initial substantial holder

To Company Name/Scheme Ausdrill LimitedACN/ARSN 009 211 474

1. Details of substantial holder (1)

Name Gresham Investments Pty Limited (GIPL) and the persons listed in Annexure AACN (if applicable) 002 920 416The holder became a substantial holder on 31 / 10 / 2018

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

| Class of securities(4) | Number of securities | Persons' votes(5) | Voting power (6) |
|------------------------|----------------------|-------------------|------------------|
| Ordinary shares | 61,787,133 | 61,787,133 | 9.05% |

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

| Holder of relevant interest | Nature of relevant interest (7) | Class and number of securities |
|-----------------------------|---|--------------------------------|
| See Annexure A | See Annexure A Relevant interest in ordinary shares pursuant to section 608 of the Corporations Act 2001 (Cth) (the Corporations Act), resulting from the issue of fully paid ordinary shares pursuant to a Share Sale Agreement between, amongst others, certain vendors, Ausdrill Limited and Barminco Holdings Pty Limited dated 15 August 2018, as amended (Share Sale Agreement). A summary of the material terms of the Share Sale Agreement is included at Annexure B. | See Annexure A |

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

| Holder of relevant interest | Registered holder of securities | Person entitled to be registered as holder (8) | Class and number of securities |
|--|-----------------------------------|--|--------------------------------|
| Gresham Funds Management Limited (ACN 109 020 153) as responsible entity of the Gresham Private Equity Co-investment Fund (GFML) | Perpetual Corporate Trust Limited | GFML | 15,728,495 ordinary shares |
| Gresham Private Equity | Gresham Nominees 1 Pty | GPE | 19,594,716 ordinary shares |

| | | | |
|--|--|------|----------------------------|
| Limited (ACN 084 509 946) (GPE) | Limited (ACN 095 975 965) (Gresham No. 1) | | |
| GPE | Gresham Nominees 2 Pty Limited (ACN 107 377 060) (Gresham No. 2) | GPE | 19,594,716 ordinary shares |
| Gresham Partners Holdings Limited (ACN 002 993 259) (GPHL) | Gresham Partners Capital Limited (ACN 003 004 279) (GPCL) | GPHL | 1,689,150 ordinary shares |
| Gresham Partners Limited (ACN 003 248 922) (GPL) | GPCL | GPL | 5,180,056 ordinary shares |

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the 4 months prior to the day that the substantial holder became a substantial holder is as follows:

| Holder of relevant interest | Date of acquisition | Consideration (9) | | Class and number of securities |
|-----------------------------|---------------------|-------------------|--|--------------------------------|
| | | Cash | Non-cash | |
| GFML | 31 October 2018 | | 454,229 ordinary shares and 13,337,914 redeemable preference shares in Barmenco Holdings Pty Limited (Barmenco). | 15,728,495 ordinary shares |
| GPE | 31 October 2018 | | 1,131,764 ordinary shares and 33,233,014 redeemable preference shares in Barmenco. | 39,189,432 ordinary shares |
| GPHL | 31 October 2018 | | 49,011 ordinary shares and 1,432,415 redeemable preference shares in Barmenco. | 1,689,150 ordinary shares |
| GPL | 31 October 2018 | | 150,301 ordinary shares and 4,392,737 redeemable preference shares in Barmenco. | 5,180,056 ordinary shares |

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

| Name and ACN/ARSN (if applicable) | Nature of association |
|-----------------------------------|-----------------------|
| See Annexure A | |

7. Addresses

The addresses of persons named in this form are as follows:

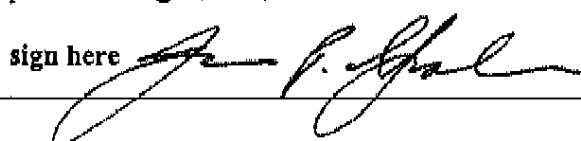
| Name | Address |
|--|--|
| GPGL, GPHL, GPL, Gresham No. 1, Gresham No. 2, GFML, GPE | Level 17, 167 Macquarie Street, Sydney NSW 2000 |
| GIPL, Velorne | Mawby Cowper Meares & Co Pty Limited, Level 4, 47 Neridah Street, Chatswood NSW 2067 |
| Perpetual Corporate Trust Limited | Angel Place, Level 18, 123 Pitt Street, Sydney NSW 2000 |

Signature

print name J.P. Graham

capacity Director

sign here



date

1 / 11 / 2018

ANNEXURE "A"

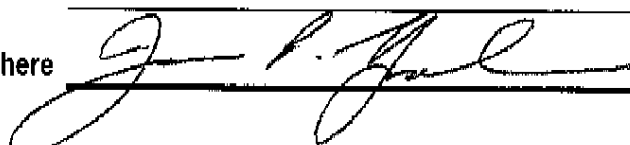
This is Annexure "A" of 1 page referred to in Form 603 (Notice of initial substantial holder) signed by me and dated 1 November 2018.

print
name

J. P. Graham

capacity
Director

sign here

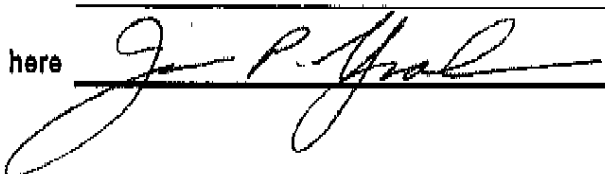


date 1 / 11 / 2018

| Holder of relevant Interest | Nature of relevant interest (7) | Class and number of securities | Address |
|---|---|--------------------------------|--|
| GIPL | Relevant Interest in the ordinary shares pursuant to section 608(3) of the Corporations Act as GIPL has voting power in Gresham Partners Group Limited (GPGL) of more than 20% and controls GPE and GFML. | 61,787,133 ordinary shares | Mawby Cowper Meares & Co Pty Limited, Level 4, 47 Neridah Street, Chatswood NSW 2067 |
| GPGL | Relevant Interest in the ordinary shares pursuant to section 608(3)(b) of the Corporations Act as GPGL controls GPHL. | 6,869,206 ordinary shares | Level 17, 167 Macquarie Street, Sydney NSW 2000 |
| GPHL | Relevant Interest in the ordinary shares pursuant to section 608(1)(b) and (c) of the Corporations Act as a result of having the power to control the voting and disposal of shares held by GPCL. Relevant interest in the ordinary shares pursuant to section 608(3)(b) of the Corporations Act as as GPHL controls GPL. GPHL has qualifications on the right to dispose of the shares as set out in the Share Sale Agreement. | 6,869,206 ordinary shares | Level 17, 167 Macquarie Street, Sydney NSW 2000 |
| GPL | Relevant interest in the ordinary shares pursuant to section 608(1)(b) and (c) of the Corporations Act as as a result of having the power to control the voting and disposal of shares held by GPCL. GPL has qualifications on the right to dispose of the shares as set out in the Share Sale Agreement. | 5,180,056 ordinary shares | Level 17, 167 Macquarie Street, Sydney NSW 2000 |
| GFML | Relevant interest in the ordinary shares pursuant to section 608(1)(b) and (c) of the Corporations Act as a result of having the power to control the voting and disposal of shares held by Perpetual Corporate Trust Limited. GFML has qualifications on the right to dispose of the shares as set out in the Share Sale Agreement. | 15,728,495 ordinary shares | Level 17, 167 Macquarie Street, Sydney NSW 2000 |
| GPE | Relevant interest in the ordinary shares pursuant to section 608(1)(b) and (c) of the Corporations Act as a result of having the power to control the voting and disposal of shares held by Gresham No.1 and Gresham No. 2. GPE, Gresham No. 1 and Gresham No.2 have qualifications on the right to dispose of the shares as set out in the Share Sale Agreement. | 39,189,432 ordinary shares | Level 17, 167 Macquarie Street, Sydney NSW 2000 |
| Velorne Pty Limited (ACN 002 406 322) (Velorne) | Relevant Interest in the ordinary shares pursuant to section 608(3)(a) of the Corporations Act as Velorne has voting power in GIPL of over 20%. | 61,787,133 ordinary shares | Mawby Cowper Meares & Co Pty Limited, Level 4, 47 Neridah Street, Chatswood NSW 2067 |

ANNEXURE "B"

This is Annexure "B" of 1 page referred to in Form 603 (Notice of initial substantial holder) signed by me and dated 1 November 2018.

| | | | |
|---------------|--|----------|----------------------|
| print name | <u>J. P. Graham</u> | capacity | <u>Director</u> |
| sign here | <u></u> | date | <u>1 / 11 / 2018</u> |

SUMMARY OF KEY TERMS OF SHARE SALE AGREEMENT

On 15 August 2018, Ausdrill Limited (ACN 009 211 474) (ASX:ASL) (**Ausdrill**) entered into a binding share sale agreement (**Share Sale Agreement**) to acquire 100% of the ordinary shares, redeemable preference shares and shareholder loan notes of Barmingo Holdings Pty Limited (**Barmingo**) from the current owners of Barmingo (**Barmingo Vendors**) for consideration of 150,666,463 new fully paid ordinary shares in Ausdrill (**ASL Consideration Shares**) plus up to A\$25.4 million in cash (**Cash Consideration**) (**Transaction**).

Completion under the Share Sale Agreement took place on 31 October 2018 (**Completion**).

Ausdrill Consideration Shares

Given the proportion of the consideration that is made up of ASL Consideration Shares, at Completion, the Barmingo Vendors own approximately 22.1% of the combined Ausdrill and Barmingo groups, held by a range of entities (including GFML, GPE, GPHL and GPL, as listed in Section 5 of the Form 603).

All of the ASL Consideration Shares issued to the Barmingo Vendors will be escrowed until the release of Ausdrill's FY19 results in late August 2019. However, if after the release of Ausdrill's 1H19 results (in late February 2019), the Ausdrill share price trades on the ASX for any five consecutive days at a volume weighted average price of at least A\$2.04, this escrow will cease to apply with respect to one third of the ASL Consideration Shares issued.

Restraints

Certain Barmingo Vendors are subject to customary restraints following Completion.

Further information on the Share Sale Agreement and the Transaction can be found in the Ausdrill Notice of Meeting and Independent Expert's Report dated 3 September 2018, available at www.asx.com.au.