

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Ausdrill Limited (**Ausdrill**)

ABN

95 009 211 474

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares in the capital of Ausdrill (Ordinary Shares). |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 20,876,559 Ordinary Shares (assuming no options are exercised before the record date and ignoring the effect of rounding). |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | The same as the terms of existing Ordinary Shares. |

+ See chapter 19 for defined terms.

<p>4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes.</p>							
<p>5 Issue price or consideration</p>	<p>\$2.00 per Ordinary Share.</p>							
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The Ordinary Shares are being issued as part of a fully underwritten non-renounceable pro rata issue. This offer will be conducted together with a placement to institutional and sophisticated investors to raise a total of approximately \$103 million before costs. The funds will be used to provide working capital and for capital expenditure to fund the growth of Ausdrill's business following the acquisition of Brandrill, and the expected growth of the Company going forward.</p>							
<p>7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates</p>	<p>On or before 7 May 2010.</p>							
<p>8 Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="695 1556 995 1594">Number</th> <th data-bbox="995 1556 1291 1594">⁺Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="695 1594 995 1818">229,642,151</td> <td data-bbox="995 1594 1291 1818">Ordinary Shares</td> </tr> </tbody> </table>	Number	⁺ Class	229,642,151	Ordinary Shares	<table border="1"> <thead> <tr> <th data-bbox="995 1556 1291 1594">⁺Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="995 1594 1291 1818">Ordinary Shares</td> </tr> </tbody> </table>	⁺ Class	Ordinary Shares
Number	⁺ Class							
229,642,151	Ordinary Shares							
⁺ Class								
Ordinary Shares								

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	5,400,000 Employee Options (exercisable at exercise prices of between \$1.30 and \$1.45, with expiry dates ranging from 12 November 2013 to 30 June 2014)
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	As per existing Ordinary Shares.

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No.
12	Is the issue renounceable or non-renounceable?	Non-renounceable.
13	Ratio in which the +securities will be offered	One new Ordinary Share for every ten Ordinary Shares.
14	+Class of +securities to which the offer relates	Ordinary Shares.
15	+Record date to determine entitlements	5.00 pm Perth time on 8 April 2010.
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No.
17	Policy for deciding entitlements in relation to fractions	Where fractions arise in the calculation of entitlements, the number of Ordinary Shares will be rounded up to the nearest whole number of Ordinary Shares.
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	Only security holders with registered addresses in Australia and New Zealand will be eligible to participate.
19	Closing date for receipt of acceptances or renunciations	5.00 pm Perth time on 29 April 2010.

+ See chapter 19 for defined terms.

20	Names of any underwriters	Argonaut Capital Limited and Patersons Securities Limited.
21	Amount of any underwriting fee or commission	4%
22	Names of any brokers to the issue	Not applicable.
23	Fee or commission payable to the broker to the issue	Not applicable.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	Not applicable.
25	If the issue is contingent on +security holders' approval, the date of the meeting	Not applicable.
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	No prospectus will be issued, but an Offer Booklet and acceptance form will be despatched to eligible shareholders by no later than 14 April 2010.
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	29 March 2010.
28	Date rights trading will begin (if applicable)	Not applicable.
29	Date rights trading will end (if applicable)	Not applicable.
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	Not applicable.
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable.

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- 32 How do +security holders dispose of their entitlements (except by sale through a broker)? Not applicable.
- 33 +Despatch date On or before 7 May 2010.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)		

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



(~~Director~~/Company secretary)

Date: 29 March 2010

Print name: Domenic Santini

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