



Ausdrill Limited
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ABN: 95 009 211 474

29 March 2010

The Manager
Company Announcements Office
ASX Limited
Level 4
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

LETTER SENT TO AUSDRILL EMPLOYEE SHARE OPTION HOLDERS

Please find attached a letter sent to Ausdrill Limited employee share option holders today.

Yours sincerely

Domenic Santini
Company Secretary

29 March 2010

Dear option holder

ENTITLEMENT ISSUE

As you may be aware, Ausdrill Limited ABN 95 009 211 474 (**Company**) announced today that it would be undertaking a fully underwritten pro-rata non-renounceable entitlement issue of fully paid ordinary shares. The entitlement issue will be made without disclosure to investors, pursuant to section 708AA of the Corporations Act 2001 (Cwlth). The Company expects that the entitlement issue will close on 29 April 2010.

The entitlement issue is open only to shareholders with registered addresses in Australia and New Zealand as at the record date of 5.00pm Perth time on Thursday 8 April 2010. The entitlement issue is being undertaken on the basis of one new share for every 10 shares held, at an issue price of AUD\$2.00 per new share, to raise approximately \$41.75 million before costs.

The ASX Listing Rules and the terms of your employee options require the Company to notify you of your right to participate in an entitlement issue of shares and the record date for the entitlement issue.

Your options do not entitle you to participate in the entitlement offer. Assuming your options were currently exercisable, to participate in the entitlement offer in respect of your options you would need to exercise your options and be entered onto the Company's share register as a shareholder on or before the record date of 5.00pm Perth time on Thursday 8 April 2010.

However, since your options are not currently exercisable, you will not be able to participate in the entitlement offer in respect of your options.

If you wish to discuss any of the above matters, please contact me.

Yours sincerely



Domenic Santini
Company Secretary