

# 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

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   | Incentive Options  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 1,000,000 Incentive Options  |
| 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) | <p>Incentive Options issued to Mr Wallace Macarthur King pursuant to his appointment as a non-executive director and deputy Chairman of the Company on 5 April 2011. The Incentive Options will be unlisted, will expire 5 years after their issue date, and will be issued in three tranches as follows:</p> <ul style="list-style-type: none"> <li>• Tranche 1 – 250,000 Incentive Options will vest on the first anniversary of their issue date at an exercise price of \$4.21;</li> <li>• Tranche 2 – 250,000 Incentive Options will vest on the second anniversary of their issue date at an exercise price of \$4.21; and</li> <li>• Tranche 3 – 500,000 Incentive Options will vest on the third anniversary of their issue date at an exercise price of \$4.21.</li> </ul> <p>The Company resolved by an ordinary resolution (passed by the shareholders of the Company at a General Meeting on 29 June 2011) to issue the Incentive Options to Mr King. Further details are set out in the Notice of General Meeting released to ASX on 27 May 2011.</p> |

+ 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"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>No, however shares issued upon the exercise of the Incentive Options will rank pari passu with existing quoted ordinary shares.</p>				
<p>5 Issue price or consideration</p>	<p>Nil</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Issued to Mr King as part of Mr King's remuneration package pursuant to his appointment as a non-executive director and deputy Chairman of the Company on 5 April 2011. Further details are set out in the Notice of General Meeting released to ASX on 27 May 2011.</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>8 July 2011</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="766 1489 1069 1534">Number</th> <th data-bbox="1069 1489 1370 1534">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="766 1534 1069 1758">301,452,517</td> <td data-bbox="1069 1534 1370 1758">Ordinary shares fully paid</td> </tr> </tbody> </table>	Number	+Class	301,452,517	Ordinary shares fully paid
Number	+Class				
301,452,517	Ordinary shares fully paid				

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	Number	+Class
9	4,566,670	Employee Options (exercisable at exercise prices of between \$1.2914 and \$4.15, with expiry dates ranging from 12 November 2013 to 25 March 2016)
	1,000,000	Incentive Options issued to WM King (exercisable at an exercise price of \$4.21, with an expiry date of 8 July 2016)
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	
	Not applicable	

## Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	Part 2 not applicable.
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
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.	

+ See chapter 19 for defined terms.

- |    |   |  |
|----|---|--|
| 19 | Closing date for receipt of acceptances or renunciations  |  |
| 20 | Names of any underwriters   |  |
| 21 | Amount of any underwriting fee or commission  |  |
| 22 | Names of any brokers to the issue   |  |
| 23 | Fee or commission payable to the broker to the issue  |  |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders   |  |
| 25 | If the issue is contingent on +security holders' approval, the date of the meeting  |  |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled  |  |
| 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 |  |
| 28 | Date rights trading will begin (if applicable)  |  |
| 29 | Date rights trading will end (if applicable)  |  |
| 30 | How do +security holders sell their entitlements <i>in full</i> through a broker?   |  |
| 31 | How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?  |  |

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- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Despatch date

### 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

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## 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	<p>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"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>					
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>					
42	Number and +class of all +securities quoted on ASX ( <i>including</i> the securities in clause 38)	<table border="1"> <thead> <tr> <th data-bbox="790 1444 1085 1489">Number</th> <th data-bbox="1093 1444 1377 1489">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="790 1489 1085 1713"></td> <td data-bbox="1093 1489 1377 1713"></td> </tr> </tbody> </table>	Number	+Class		
Number	+Class					

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## 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: 8 July 2011

Print name: Domenic Santini

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