

11 JULY 2012

UPDATE ON POTENTIAL ACQUISITION OF BEST TRACTOR PARTS GROUP

Ausdrill Limited (ASX: ASL) refers to its announcement dated 30 May 2012 and confirms that it has today signed a non-binding Heads of Agreement (**HoA**) with representatives of the sellers of the Best Tractor Parts Group (**BTP**) in relation to a proposal for Ausdrill to acquire the whole of BTP.

The HoA is non-binding other than in respect of certain confidentiality and exclusivity arrangements and mutual warranties between the parties. The parties are therefore free to continue to negotiate the terms of the transaction prior to entering into any binding agreements in respect of the proposed transaction.

The proposal remains subject to a number of conditions including completion of Ausdrill due diligence, negotiation and execution of binding agreements and Ausdrill arranging appropriate financing.

BTP was established more than 25 years ago and its business includes the supply of reconditioned/ refurbished earthmoving parts; rental of heavy earthmoving equipment and specialised mining support vehicles; and sales of earthmoving equipment. These businesses are also supported by a hydraulics and engineering capability and a global procurement network.

Ausdrill will update the market once binding arrangements are entered into, or if any other material developments arise.

About Ausdrill

Ausdrill (ASX: ASL) is a diversified mining services company. Since its formation in Kalgoorlie in 1987, Ausdrill has grown significantly and now has operations across Australia, Africa and the United Kingdom. Ausdrill is a leader in providing services in contract mining, grade control, drill & blast, exploration, mineral analysis, procurement & logistics and manufacturing. The Ausdrill Group employs over 5,000 staff worldwide.

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