

29 AUGUST 2017

Not for release to United States wire services

AUSDRILL LAUNCHES INSTITUTIONAL EQUITY RAISING TO SUPPORT FUTURE GROWTH

Highlights

- Placement to Australian and international institutional and sophisticated investors to raise up to \$100 million (before costs)
- Proceeds of Placement will provide balance sheet strength and flexibility to fund future growth opportunities, particularly in Africa

Diversified mining services company, Ausdrill Limited (ASX:ASL) (“**Ausdrill**” or “**Company**”), is pleased to announce the launch of a placement to institutional and sophisticated investors (“**Placement**”).

The proceeds of the Placement, in conjunction with Ausdrill’s cash reserves of \$166.7 million¹, undrawn debt facilities of \$124.8 million¹ and strong forecast FY2018 cashflow generation, will provide significant balance sheet strength and flexibility to capitalise on potential growth opportunities available to the Company.

In particular, strong growth is expected from Ausdrill’s African businesses on the back of an exceptionally robust and active pipeline of project opportunities which could necessitate an expansion of its existing mining fleet and an increase in its working capital needs as additional contracts are secured.

Placement

Argonaut and Hartleys Limited are Joint Lead Managers to the Placement.

The Placement will comprise the issue of up to 46.8 million fully paid ordinary shares at an issue price of \$2.14 to institutional and sophisticated investors in Australia and internationally to raise up to \$100.2 million (before costs). The new shares issued under the Placement will be issued pursuant to the Company’s 15% capacity under ASX Listing Rule 7.1. Shareholder approval will not be required for the Placement, but the Company may seek to ratify the issue of shares under the Placement to restore its 15% capacity in due course.

¹ As at 30 June 2017

The issue price of \$2.14 represents an 8.9% discount to the last closing price of \$2.35 on 28 August 2017 and a 5.3% discount to the 5-day VWAP up to and including that date of \$2.26.

Settlement of the Placement is scheduled to occur on Thursday, 7 September 2017. The new shares issued under the Placement will rank equally with existing shares in the Company.

Shares issued under the Placement will be entitled to receive the full year FY2017 dividend of 2 cents per share, as announced on 23 August 2017.

Summary of Key Dates	Date / Time ¹ (AWST)
Australia / Asia Bookbuild Closes	5:00pm, Tuesday, 29 August 2017
North America / Europe Bookbuild Closes	10:00pm, Tuesday, 29 August 2017
Announcement of Results of Placement	Pre-Open Thursday, 31 August 2017
Company recommences trading	Thursday, 31 August 2017
Anticipated Settlement Date	Thursday, 7 September 2017
New Shares under the Placement Commence Trading	Friday, 8 September 2017
Ausdrill Full Year FY2017 Dividend Record Date	Wednesday, 4 October 2017

1. All dates and times are subject to change and are indicative only. Unless otherwise indicated, all times are Perth time. Ausdrill and the Joint Lead Managers, Argonaut and Hartleys, reserve the right to vary these dates and times without notice.

Further details concerning the Placement are also set out in an Equity Raising Presentation which the Company has lodged with the ASX today. The Equity Raising Presentation contains important information in relation to the Placement including the expected uses of funds, risk factors and certain foreign selling restrictions with respect to the Placement.

The Company proposes to remain in trading halt until the results of the Placement are announced. This announcement is not intended to lift the trading halt.

Should you have any queries in relation to the Placement, please contact Ausdrill's Company Secretary, Strati Gregoriadis, on +61 8 9311 5666 on weekdays between 9.00am and 5.00pm (Perth time). Alternatively, contact your stockbroker, solicitor, accountant or other professional adviser.

Additional Information

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. The Ausdrill Group employs over 4,500 staff worldwide.

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Forward Looking Statements and Important Notice

This release includes forward looking statements concerning projected earnings, revenue, growth, outlook or other matters for the financial year ending 30 June 2018 or beyond. Forward-looking statements can generally be identified by the use of forward-looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “believe”, “continue”, “objectives”, “outlook”, “guidance” or other similar words and include statements regarding certain plans, strategies and objectives of management, trends and outlook. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Ausdrill’s actual results, performance and achievements or industry results to differ materially from any future results, performance or achievements, or industry results, expressed or implied by these forward-looking statements.

Forward-looking statements are based upon management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect Ausdrill’s business and operations in the future. Ausdrill cannot give any assurance that the assumptions upon which management based its forward-looking statements will prove to be correct, or that Ausdrill’s business and operations will not be affected in any substantial manner by other factors not currently foreseeable by management or beyond its control. Any forward-looking statements contained in this release speak only as of the date of this release. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, Ausdrill disclaims any obligation or undertaking to publicly update or revise any forward-looking statement contained in this release or to reflect any change in management’s expectations with regard thereto after the date hereof of any change in events, conditions or circumstances on which any such statement is based. No representation or warranty, express or implied, is given as to the accuracy, completeness, likelihood of achievement or reasonableness of any forecasts, projections or prospects referred to in this release.

All currency in Australian Dollars unless stated otherwise

See also further Important Notices and Disclaimer in Equity Raising Presentation.