

17 APRIL 2019

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## AUSDRILL DISCOVERS FRAUDULENT ACTIVITY

Diversified mining services company Ausdrill Limited (ASX:ASL) ("**Ausdrill**") advises that it is undertaking investigations into fraudulent payments to a supplier which have been uncovered by the Company.

Through compliance with the Company's policies and procedures, Ausdrill recently discovered fraudulent payments. The Company immediately undertook a preliminary internal investigation, and appointed EY to commence a thorough forensic review.

As a result of the initial investigation, Ausdrill has identified that an Australian-based employee appears to have authorised and concealed payments to an unrelated invalid supplier totalling approximately \$10 million over eight years.

The employee has been summarily dismissed and Ausdrill has reported the matter to the police. The Company and its external forensic investigator will work closely with police in undertaking further investigations.

Ausdrill notes that this matter will have no material impact on the Company's reported results or FY2019 guidance.

Ausdrill Managing Director Mark Norwell said that fraudulent or misleading behaviour is entirely inconsistent with Ausdrill's principles, and behaviour of this nature will not be tolerated.

"We are announcing this matter in accordance with our approach of full transparency and our stated objectives of enhanced governance and audit," Mr Norwell said.

"Since commencing as Managing Director one of my priorities has been on enhancing Ausdrill's governance and operating principles, and I am satisfied that immediate action has been taken upon becoming aware of the situation.

"We are now completing a comprehensive review to understand how this long-term sophisticated fraud occurred and how we can further enhance Ausdrill's systems and controls."

To ensure the police investigation is not jeopardised, Ausdrill cannot provide any additional information.

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## **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, India and the United Kingdom. Ausdrill is a leader in open-cut and underground contract mining, diamond drilling, grade control, drill & blast, exploration, mineral analysis, procurement and logistics. The Ausdrill Group employs over 7,500 staff worldwide.*

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