

17 MAY 2019

AUSDRILL GUARANTEED SENIOR NOTES OFFERING

Diversified mining services company Ausdrill Limited (ASX:ASL) (“**Ausdrill**”) wishes to advise that it has decided not to proceed at the present time with the previously announced offering of Guaranteed Senior Notes (**US Notes**) by its wholly owned subsidiary Ausdrill Finance Pty Ltd.

Ausdrill Chief Financial Officer, Peter Bryant, said a weakening in market conditions meant it was no longer attractive to proceed with the refinancing.

“When we announced we would be commencing a process to refinance our existing debt facilities earlier this month the market for US Notes was strong,” Mr Bryant said.

“These conditions provided an opportune time for the Company to consider refinancing its existing debt, including the Barmenco Senior Secured Notes that are not due until May 2022, through issuing new competitively priced, longer term, US Notes.

“Unfortunately, the escalation in the US/China trade war and the sharp decline in the US equity markets earlier this week meant that the attractiveness of refinancing was no longer there.

“While we are disappointed that the market has turned, we have stated many times that we will be disciplined around capital management and will not undertake transactions, including refinances, unless the economics are beneficial to the Company.

“The size and term of our existing debt facilities continues to provide both the capacity and flexibility to support the business as we deliver on our strategy for the new Ausdrill group.”

As a result of the above, Barmenco Finance Pty Limited, a wholly-owned, indirect subsidiary of Ausdrill Limited, will rescind the notice of redemption with respect to its US\$350,000,000 6.625% Senior Secured Notes due 2022 and, accordingly, shall not redeem such notes as set forth in its notice of redemption dated May 2, 2019.

-ends-

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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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