

6 JUNE 2019

NON CASH IMPAIRMENT FOR FY2019

Ausdrill Limited (ASX: ASL) ("**Ausdrill**") advises that, as part of its preparation for the end of the financial year, it has been undertaking a review of its working capital and balance sheet.

The review is ongoing and will be completed prior to the finalisation of Ausdrill's annual financial report for FY2019.

Based on current information, it is anticipated that the review will result in a non-cash impairment for the year ended 30 June 2019.

Ausdrill estimates the impairment will be in the range of \$75 million to \$95 million, which represents 2.8% to 3.6% of Ausdrill's total assets. The audited adjustment will be included in Ausdrill's FY2019 financial results, which are scheduled to be released in late August 2019.

Adjustment implications

Any impairment related to the above will be a non-cash item and:

- will not have any impact on cash-flow;
- will not have any impact on operations;
- will not impact compliance with banking covenants; and
- will not have any effect on Ausdrill's FY2019 guidance of \$98 million underlying net profit after tax.

Further details on any impairment will be provided in Ausdrill's FY2019 financial report.

Ausdrill also notes the FY2019 financial report will include a positive non-cash fair value adjustment relating to the increase in the value of Ausdrill's original 50% interest in AUMS of \$198.4 million, and a \$30.7 million taxation benefit that was largely related to the Barmingo acquisition. These adjustments were detailed in Ausdrill's half year report released to ASX on 21 February 2019.

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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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