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The Manager
Company Announcements Office
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MARKET ANNOUNCEMENT

\$84m in Contract Awards Broadens Ausdrill Offering

Ausdrill Limited (**ASX: ASL**) has been awarded several contracts which further broaden the services offered by the group.

Coal Seam Gas Contract

Ausdrill subsidiary, Energy Drilling Australia Pty Ltd (**EDA**), has entered into a contract with Santos for the provision of coal seam gas (**CSG**) production and exploration drilling services with the works predominantly being undertaken in the Fairview area located north of Roma in Central Western Queensland. Ausdrill, which currently holds 50% of EDA, has also agreed to acquire the balance of EDA, thereby increasing its holding to 100%.

EDA will utilise its new Foremost Explorer III-65 Drilling Rig together with a camp facility that caters for both EDA and Santos personnel to service this contract. The contract period is 6 months with the option to extend for an additional 9 months in 3 x 3 monthly increments. The value of this contract is in the order of AUD \$15m over the 15 month period.

This is the first CSG contract awarded to EDA and is a significant milestone since taking the decision in 2009 to enter the emerging CSG market.

EDA believes CSG drilling is a potential high growth market and EDA is focussing on this market by adding additional drilling units and other related services as the requirements and opportunities arise.

With the continued interest and commitment in CSG in Australia by a number of notable companies operating in this market, EDA envisages an opportunity for long-term sustainable growth in the CSG drilling sector.

Drill and Blast Contracts

Ausdrill Limited's Australian drill and blast division has been awarded letters of intent for the following contracts:

- Carina Iron Ore Project owned by Mineral Resources (**ASX:MIN**). The contract is planned to commence in July 2011 for an initial period of 36 months with estimated value of \$36m.



- Ravensthorpe Nickel Operation owned by First Quantum Minerals (TSX:FM). The contract is planned to commence in quarter 3 of 2011 for a period of 42 months with an estimated value of \$25m.

In relation to both these contracts, Ausdrill will provide the drilling & blasting services, whilst SynegeX, a wholly owned subsidiary of Ausdrill Limited, will provide the explosive supply.

Explosive Supply

In addition, SynegeX has been successful in securing a two year contract with Redline Drill and Blast through Hampton Mining and Civil Services, the Open Pit Mining Contractor for Sandfire Resources NL for the supply of explosives at the DeGrussa Copper-Gold Project, Western Australia. The contract will generate revenues of approximately \$8.0 million.

Ausdrill Managing Director Ron Sayers said: "These contracts demonstrate the success of our strategy of building a diversified business, with each of our divisions contributing significantly to Ausdrill's overall growth."

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 4,000 staff worldwide.

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