SMS
SWICK MINING SERVICES
Innovative • Productive • Safe

Euroz North West Shelf Conference
Karratha, October 2010

(ABN 20 112 917 905)

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Information included in this presentation is dated 15 October 2010.

Company Overview

- Perth based mineral drilling contractor; listed on ASX in 2006.
- Surface and underground drilling operations with a fleet of 78 drill rigs across 4 divisions.
- Operations in Australia and North America; focus is on hard-rock, metalliferous mines primarily in gold, base metals and bulk commodities.
- Compete on product differentiation; high quality innovative rigs and high calibre personnel.
- Aiming to build a global brand and footprint to rival the major drilling companies.

Corporate Snapshot

BOARD OF DIRECTORS

Andrew Simpson:	Non-Executive Chairman
Kent Swick:	Managing Director
David Nixon:	Non-Executive Director
Joe Ariti:	Non-Executive Director
Phil Lockyer:	Non-Executive Director
Ian McCubbing:	Non-Executive Director
Ian Hobson:	Company Secretary

CAPITAL STRUCTURE

ASX Code:	SWK
FPO Shares:	236.7 million
Employee Options:	0.3 million
Fully Diluted:	237 million

Completed $17.5 million placement in April 2010.

SHARE PRICE HISTORY

12 Month High:	$0.60 (15 Oct 09, 7 Jan 10)
12 Month Low:	$0.32 (18 & 25 May 10)
Previous Close:	$0.39 (15 May 10)
Average Volume:	460,000 (last 12 months)
Market Cap:	$92 million

SHAREHOLDERS

Total:	~3,600
Top 20:	~73%
Kent Swick:	12.9%
Rosanne Swick:	8.7%
UBS:	7.7%
Entrust:	7.6%
Perpetual:	7.1%
Northcape:	6.7%

Business Overview

- Company's overriding aim is to maintain and further develop sustainable competitive advantage through technical innovation.
- Innovation focused on delivering superior value, productivity and safety to clients.
- Rigs supported by experienced, skilled crews and vertically integrated support systems.
- Excellent safety focus underpinned by best practice safety management systems and open reporting culture.
- Having recently achieved strong rig utilisation, strategic focus has shifted to cash-flow generation and profitability.

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Key Business Drivers

Competitive Advantage	Compete on product differentiation through improved rig design. Delivered through in-house R&D and Engineering Departments. New innovation remains a key strategic focus.
Fleet Utilisation	78% utilisation rate currently across the total fleet (61 in work). Underpinned by 43 Underground Diamond rigs in work.
Pricing Competition	Operational cost base relatively stable; volumes to drive reductions. Pricing has stabilised post GFC; entering re-pricing phase. Margin improvement expected in FY11 as demand strengthens.
Operational Performance	Strong focus on maximising efficiency and productivity. Supported by management restructure and new appointments.
Market Outlook	Drilling activity outlook positive; fuelled by rising commodity prices. Significant opportunities to increase fleet utilisation during FY11. New opportunities in North America & South-East Asia.

Client Focus

- Clients demand capable rigs and competent personnel.
- Clients measure performance through productivity, value and safety.
- Swick aims to exceed its clients requirements and performance expectations.
- Swick's innovative rig designs enable Swick to achieve increased productivity together with improved safety.
- Swick adopts a team first approach with respect to operations and safety; encouraging an open reporting culture.
- Swick rewards its staff who demonstrate its core values of safety and professionalism.

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Drilling Divisions

UNDERGROUND DIAMOND

Drilling: Resource definition & exploration.
Rig Type: Swick Mobile Diamond Drill.
Sectors: Gold, base metals.
Sites: Brownfield.
Fast Fact: Leader in productivity, value & safety.
Fleet Size: 56 rigs (47 Australia & 9 North America).

SURFACE DIAMOND

Drilling: Resource definition & exploration.
Rig Types: Multi-purpose & track mounted.
Sectors: Gold, base metals.
Sites: Brownfield & greenfield.
Fast Fact: Multi-purpose offers diamond core & RC.
Fleet Size: 9 rigs (4 multi-purpose & 5 track).

UNDERGROUND PRODUCTION

Drilling: Production & mine support.
Rig Type: Top head hammer longhole.
Sectors: Gold, base metals.
Sites: Brownfield.
Fast Fact: Offer contracting & management services.
Fleet Size: 6 rigs.

SURFACE RC

Drilling: Exploration & resource definition.
Rig Types: Swick Surface RC Drill & track mounted.
Sectors: Iron ore, manganese, gold & base metals.
Sites: Greenfield & brownfield.
Fast Fact: Award winning Swick rig design.
Fleet Size: 7 rigs (6 Swick & 1 track).

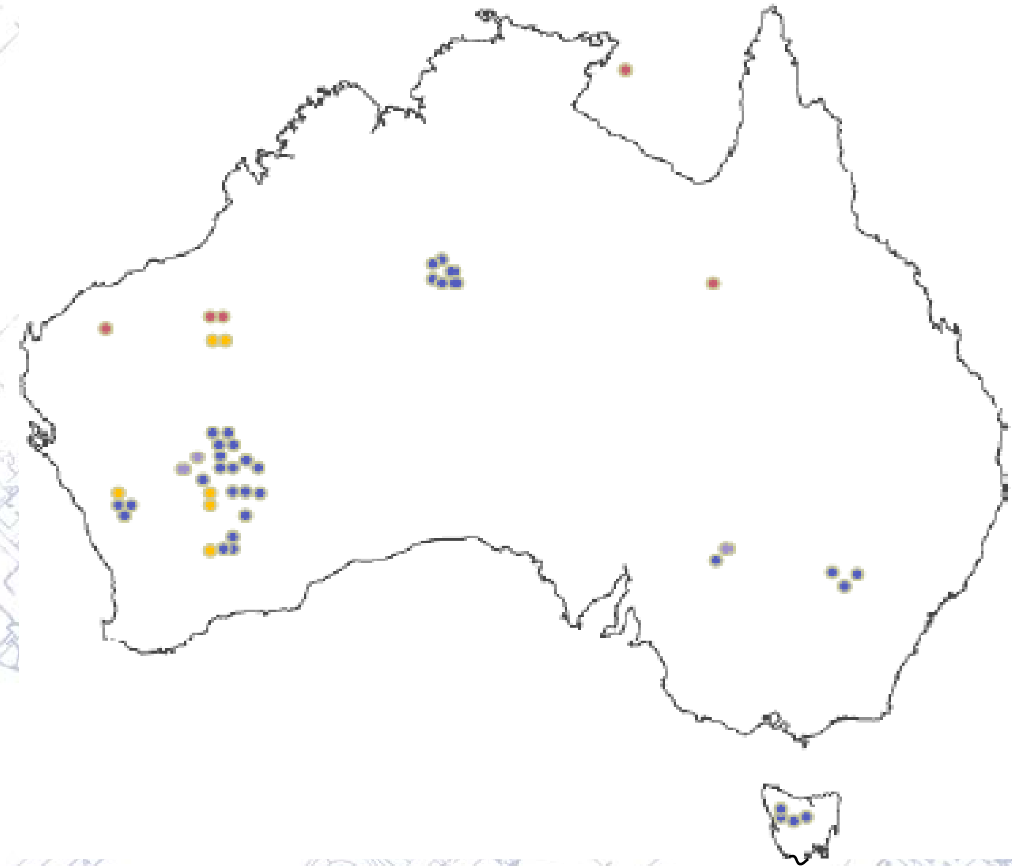
Australian Clientele

UNDERGROUND DIAMOND

- Newmont
- Xstrata
- Gold Fields
- St Barbara
- New Gold
- Metals X
- Silverlake
- Bendigo Mining
- Focus Minerals
- Ramelius
- Perilya
- Straits

UNDERGROUND PRODUCTION

- Aditya Birla
- St Barbara
- MMG
- Barminco



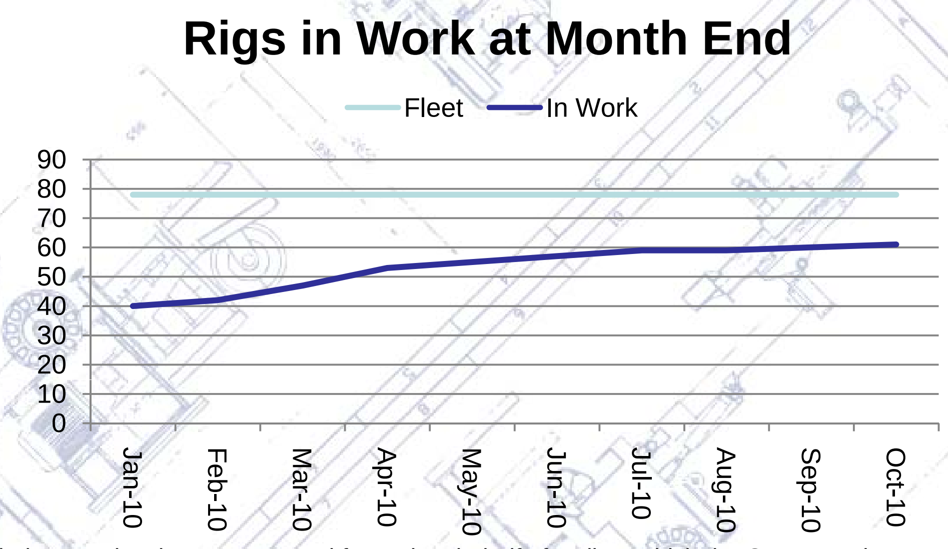
SURFACE DIAMOND

- Barrick
- Metals X
- New Gold
- Perilya

SURFACE RC

- BHP Billiton
- Rio Tinto
- Consolidated Minerals
- Lady Annie Exploration

Global Fleet Utilisation

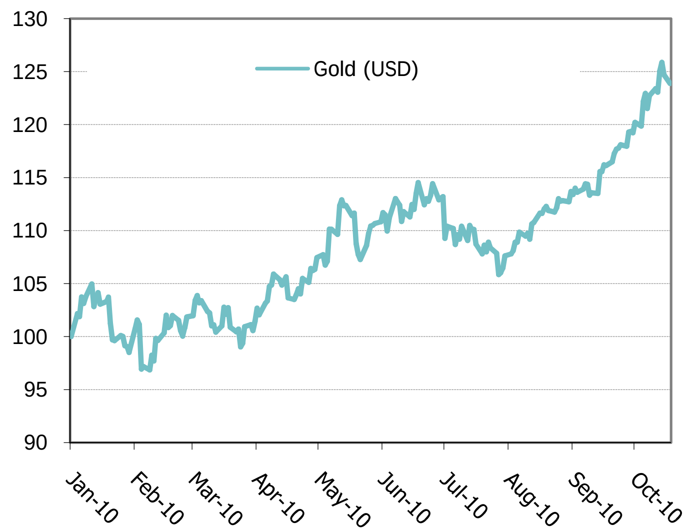


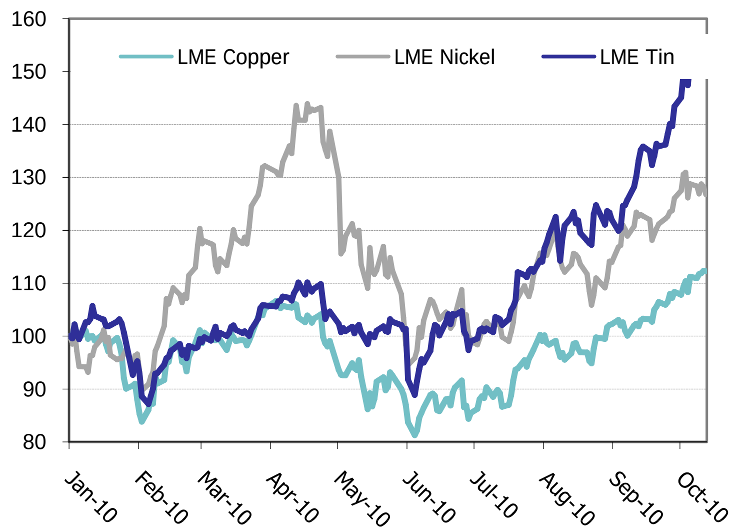
Includes two rigs that are operated for and on behalf of a client which the Company does not own

Swick's rig utilisation is continuing to trend up consistent with an overall improvement in activity levels in the drilling industry.

Commodity Price Convergence

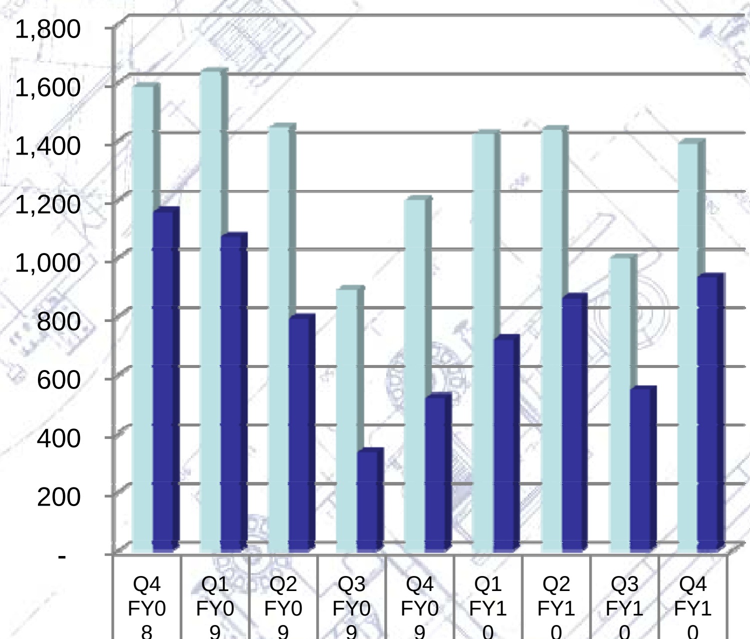
- Gold price (in USD terms) at all time record high level.
- Base metal prices (in USD terms) strengthening; tin at all time record high; copper price rising quickly due to concerns that supply deficits will quickly deplete stockpiles; nickel price improving.
- Converging strength in commodity prices of both precious metals and base metals is unique in history; expected to deliver increasing demand for drilling services.





Australian Drilling Activity

Metres Drilled ('000) - Brownfield v Greenfield



	Q4 FY08	Q1 FY09	Q2 FY09	Q3 FY09	Q4 FY09	Q1 FY10	Q2 FY10	Q3 FY10	Q4 FY10
Brownfield	1,58	1,63	1,44	888	1,19	1,42	1,43	996	1,39
Greenfield	1,15	1,06	792	338	521	719	858	548	930

Data source: ABS, Mineral & Petroleum Exploration Australia Jun Qtr 2010, all service providers

- Activity levels in Australian drilling industry continuing recovery post GFC.
- Recovery underpinned by resurgence in brownfield drilling. Greenfield drilling activity also on the rise.
- Total mineral exploration expenditure was 23.7% higher in the June 2010 quarter in corresponding with the June 2009 quarter; metres drilled 28.5% higher.
- Western Australia was the largest contributor to the increased expenditure and metres drilled with Queensland next.
- Gold, Iron Ore and Copper leading the recovery.

Swick remains focused on brownfield operations to underpin revenue and provide the strongest growth opportunities.

Australian Operations Update

- Australian operations strong and improving; core operating division of Underground Diamond Drilling (UGD) leading the way.
- Increased demand / activity in the sector providing scope for further improvement to utilisation and margins.
- Existing clientele providing platform for increasing custom; e.g. Newmont has increased its requirement from 8 UGD rigs at start of CY2010 to current level of 13 UGD rigs.
- Focused on core operations; have disposed of a number of non-core assets and/or under-utilised assets including 3x air-vacuum rigs, 1x L8 rig, and 2x LF90D surface diamond rigs.

North America Operations Update

- Clientele and footprint growing.
- Currently working at:
  - NiBlack (Alaska) contract extended til end of calendar year 2011 – 2 rigs;
  - Vale Inco (Sudbury) on trial, with potential for significant follow-on work – 1 rig;
  - Newmont (Nevada) on trial, with potential for significant follow-on work – 1 rig.
- Soon to commence at Newmont (Hope Bay) in Nunavit; outstanding opportunity.
- Reputation growing as value for money high quality service provider.
- Competing against skid based operators in the main.

Financial Position

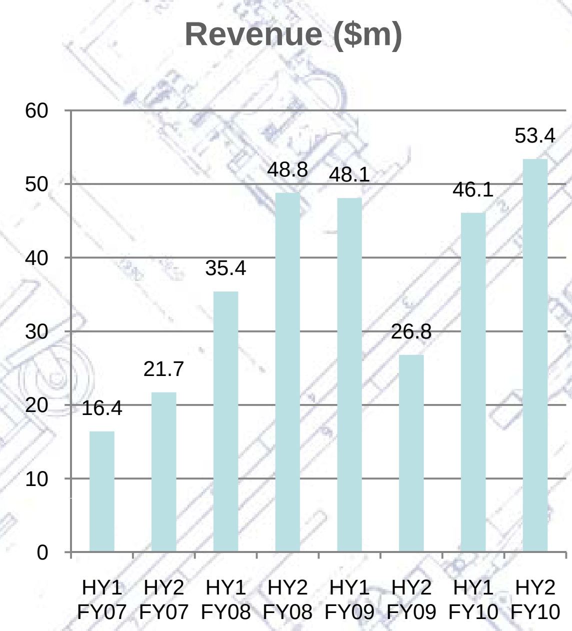
- Cash position strengthened following placement in April 2010.
- Debt being reduced at rate of ~$1.4m per month
- Hire purchase liabilities to be virtually extinguished by 31 Dec 2012. No corporate debt.
- Low capex requirements; in the short-term, limited number of additional rig builds in *Underground Diamond* division only.

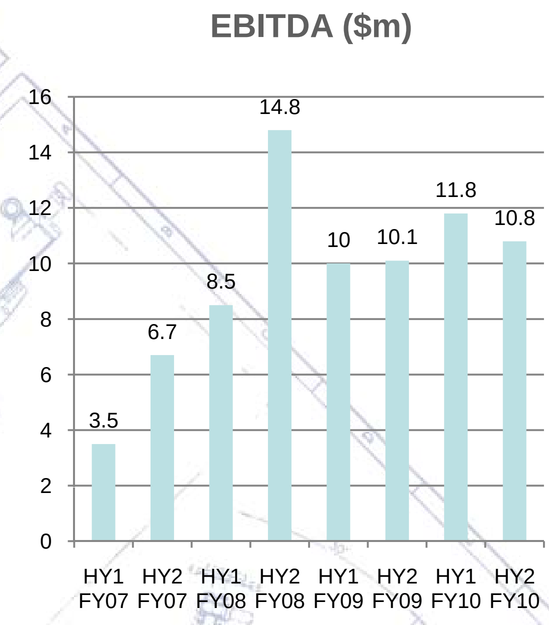
Priority focus: on-going debt reduction to provide working capital flexibility and enable self funding of further growth opportunities in the *Underground Diamond* division.

	30 Jun 10
Cash	$8.8m
Trade Debtors	$17.9m
Trade Creditors	$15.6m
Inventories	$16.4m
Total Assets	$153.7m
Debt	$35.5m
Net Debt	$26.7m
Net Assets	$93.1m
Net Debt to Equity	29%
Interest Cover (x)	2.0
Current Ratio (x)	1.4
Quick Ratio (x)	0.5

Historical Performance

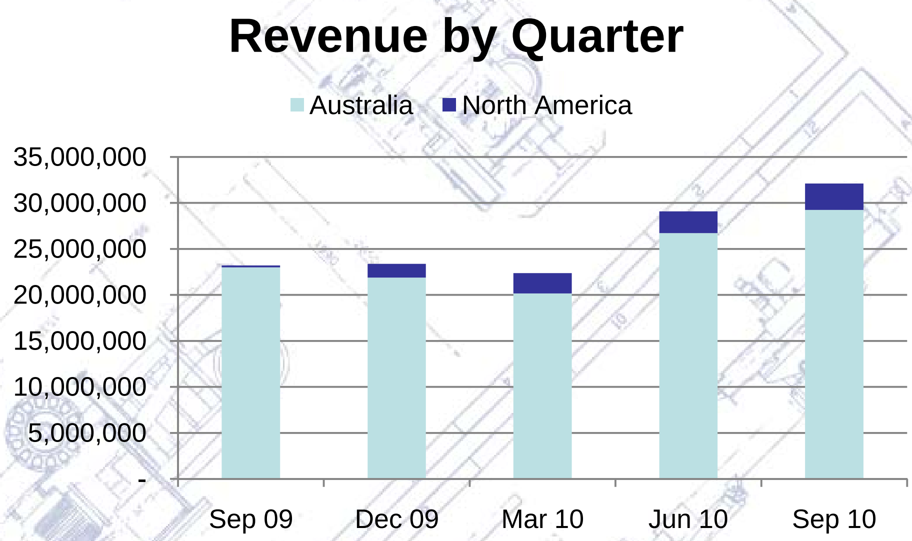
- Revenue performance historically underpinned by brownfield focus and market position of *Underground Diamond* division.
- Exposure to gold sector supported post GFC recovery.
- Productive drill rigs lessened the impact of margin erosion from competitive pricing.





Operations have stabilised and consolidated post the GFC and are well positioned for the next upswing in activity and improved performance in FY11.

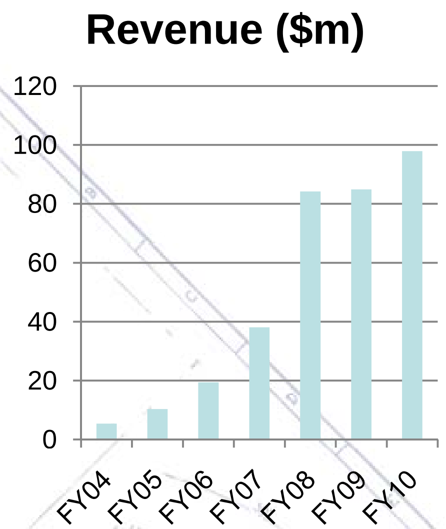
Quarterly Revenue Analysis



- Revenue demonstrating strong improvement with September 2010 quarter sales up 38% relative to corresponding September 2009 quarter.
- Revenue contribution from North America showing significant improvement.
- Current revenue run-rate (Australia and North America combined) is $10.7 million. This is expected to improve in second half consistent with increasing rig utilisation.

Revenue Outlook

- Drilling activity continues to rise, initially underpinned by brownfield drilling and more recently by greenfield recovery.
- Drilling rates have stabilised. Margins expected to improve as surplus industry capacity reduces.
- Australian *Underground Diamond* drilling division remains the key revenue driver (73% of FY10 revenue).
- Strong tendering pipeline offers further potential for increased fleet utilisation and revenue.



Revenue is expected to grow strongly in FY11 with Australian operations remaining strong and North American operations providing a greater input on the back of increasing utilisation and a growing footprint.

A revenue forecast will be provided at the Company's Annual General Meeting in November 2010.

Summary

- Australian operations strong and improving; scope for improving utilisation and margins.
- Strong presence established in North America; transitioned from opportunity to operational standalone business.
- Significant opportunities in North America stemming from existing client base; word spreading of 'quality service provision'; main source of growth for medium term.
- Global drill rates improving in line with increasing demand / levels of activity.
- Commodity prices continuing to strengthen; gold and base metal price highs aligning representing unique convergence.
- Focused on maximising return from capital invested; *"making the most of what we have"*.
- Debt being aggressively reduced; debt to be effectively extinguished by December 2012.

Thank you, any questions?

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