

SWICK MINING SERVICES

Swick Mining Services Ltd
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ASX ANNOUNCEMENT

SWICK SELLS SURFACE DIAMOND DIVISION FOR \$17 MILLION CASH

Swick Mining Services Ltd (ASX:SWK) is pleased to announce it has agreed to sell its surface diamond division for \$17 million to a local drilling operator.

The sale is conditional on contract assignment, transfer of staff and standard completion conditions. Swick expects to complete the transaction in early February 2011.

The sale comprises four (4) KWL1600 multi-purpose rigs, five (5) LF90D surface diamond rigs, associated compressor trucks, support trucks, light vehicles, miscellaneous small plant and selected inventory.

The proceeds will be used in part to pay down the debt associated with that equipment (approximately \$8 million), with the remainder (approximately \$9 million) boosting cash reserves and providing working capital support for the upcoming growth anticipated in the Company's Australian and North American operations.

Managing Director Kent Swick said "The sale is a very good outcome for both Swick and the acquirer. It successfully completes Swick's stated strategy of disposing of non-core assets so as to allow the Company to focus its resources on its key Underground Diamond Drilling business and to further develop its Surface RC Drilling business. In particular, the Underground Diamond Drilling opportunities for Swick both locally and in North America are significant and it's an area where we are amongst the world's best providers. It therefore makes strategic sense to ensure this important and growing part of our business is appropriately resourced and funded going forward".

Yours faithfully



KENT SWICK
MANAGING DIRECTOR

About Swick Mining Services:

Swick Mining Services (ASX:SWK) is one of Australia's largest mineral drilling contractors, providing high quality, high value underground and surface drilling services to a diverse group of mining houses in gold, iron ore, nickel, copper, lead, zinc and manganese. The Company has a strong reputation for innovation in rig design and drilling practices that delivers improvements in productivity, safety, versatility and value. Swick recently committed to expanding its operations outside of Australia and building a global brand through an expansion into targeted international markets, with an initial focus on North America.

For further information re this announcement, please contact the following on (08) 9277 8800:

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Managing Director

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