

SWICK MINING SERVICES

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ASX ANNOUNCEMENT

SETTLEMENT AND HANDOVER OF SURFACE DIAMOND DIVISION

Swick Mining Services Ltd (ASX:SWK) is pleased to confirm completion of the sale of its Surface Diamond Drilling division to Sanderson Drilling and Connors Drilling (both subsidiary companies of Tarn Drilling Company) for \$17 million.

With completion, Swick Mining Services has formally handed over all title to assets connected with the sale, and the purchaser has assumed responsibility for operations under all existing contracts.

The assets sold include four multi-purpose diamond drill rigs and associated compressor and support trucks, as well as five track mounted diamond rigs. All assets were near new, in excellent condition and the four multi-purpose rigs are currently engaged on long term contracts.

Kent Swick, Managing Director (Swick Mining Services), stated: "The strategic decision to dispose of our non-core assets in Surface Diamond drilling is now complete. The timing of the sale during a period where demand for mineral drilling is relatively strong has allowed the Company's shareholders to receive a very good outcome in terms of agreed value. At the same time, the buyers have purchased high quality assets in long term work which are fully crewed with technically skilled and safety focused employees. This is a classic win-win outcome"

"I would like to thank the field crews who were part of this transaction for their continued focus on the tasks at hand whilst the transaction was in progress. I would also like to thank the corporate teams on both sides of the transaction for a diligent and smooth process throughout. "

"This transaction strengthens the Company's balance sheet and enables the Company to focus its efforts in areas of the business where we have the most potential to provide equity growth and financial return to our shareholders. The new Swick Mining Services will have underground diamond drilling as the core of our business and this is a discipline of drilling where we believe we have added significant innovations in safety and productivity to the global market in general and where our current research and development projects will continue to set new benchmarks in the industry in the years ahead". (end quote)

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:

Kent Swick

Managing Director

Michael Fry

General Manager – Corporate

Bryan Wesley

Chief Financial Officer

**SANDERSON DRILLING AND CONNORS DRILLING ACQUIRE SWICK
MINING SERVICES' SURFACE DIAMOND DIVISION**

*New drilling assets strengthen service capabilities for companies
operating in Australia and North America*

MONTROSE, COLORADO AND PERTH, WESTERN AUSTRALIA, Feb. 14, 2011 – Colorado-based Connors Drilling and sister company, Sanderson Drilling of Western Australia, today announced they have purchased the assets of the Surface Diamond Division of Swick Mining Services (ASX: symbol SWK) of Australia. The acquisition of assets, including equipment, trained operations staff and existing drilling contracts in Australia, will provide added resources to help both companies meet increased demand for exploration drilling services. The transaction closed last Friday, Feb. 11, in Perth, Australia. The total transaction value is \$17 million.

“The mining and mineral industry is experiencing record demand for exploration drilling services and Sanderson and Connors view this acquisition as a prime opportunity to continue our growth,” said Steve Swallow, managing director, Sanderson Drilling. “This acquisition supports our need for additional resources while maintaining our commitment to lead the industry in safety excellence, productivity, innovation, value and professionalism.”

Sanderson Drilling and Connors Drilling, both wholly owned subsidiaries of Tarn Drilling Company, are leading drilling contractors within their respective markets through exemplary safety records, quality of work and organic growth strategies. This acquisition infuses additional new or nearly new equipment and operational expertise to support continued growth while maintaining stringent safety and operational specifications for the growing client bases of both companies.

“Completion of this acquisition furthers our vision of becoming a leading provider of drilling solutions in key markets across the globe,” explained Kyle Rhoderick, president of Connors Drilling and CEO of Tarn Drilling Company. “This acquisition of assets,

employees and booked business represents the single largest bite of organic growth the organization has undertaken to date. It affords us the unique opportunity to immediately begin operating on existing contracts in Australia and, in the U.S., immediately take on additional incremental projects and generate revenues in the current year versus the alternative of ordering new gear and facing long lead times from capital equipment suppliers.”

Included in the assets are four KWL 1600 multipurpose drill rigs, compressor/booster packages for surface reverse circulation drilling, five LF-90D crawler mounted drills, associated support equipment (trucks and spare parts), the existing complement of employees that operate and support the KWL 1600 rigs, and existing contracts in Australia where the KWL 1600 rigs are currently operating. All of the LF-90D crawler rigs will be allocated to Connors Drilling for work in North America where the more compact, crawler style drills are favored for low ground pressure access to drill locations in sensitive environments.

Through the acquisition, Sanderson will immediately assume the revenue from the ongoing contracts formerly held by Swick, including work with Barrick Gold. It also provides highly skilled crews that are experts in the field and safety conscious – the backbone of success for both Sanderson Drilling and Connors Drilling. The added fleet size at Sanderson Drilling will allow the company to support additional exclusive drilling contracts in Australia with large mining companies.

About Connors Drilling

Leading the industry in safety excellence, productivity, innovation, value and professionalism, and headquartered in Montrose, Colorado, Connors Drilling delivers drilling solutions throughout the U.S. with a diverse drill fleet and skilled workforce. It is a multi-service line contractor supporting the mining, mineral exploration and geotechnical industries. The company operates on a diverse range of projects, including conventional surface drilling, remote access helicopter work, underground exploration,

definition, RC drilling, and percussive drilling and geotechnical evaluations. For more information, please visit (<http://www.connorsdrilling.com/>).

About Sanderson Drilling

Sanderson Drilling is a diamond drilling company based in Kalgoorlie, Western Australia, with an office in Perth. With more than 75 years of combined management and field experience, it operates a modern fleet of surface and underground diamond rigs that are manned by highly skilled crews. Sanderson Drilling provides services ranging from large-hole geotechnical coring to deep-hole directional core drilling throughout Australia. The company's commitment to the highest standards of safety, reliability, professionalism and support have made it the leading choice for multi-national mining companies requiring multi-rig operations to exploration companies requiring small drill programs that cover a diverse range of commodities and ground types. To learn more please visit: (<http://www.sandersondrilling.com.au/>)

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