

SWICK MINING SERVICES

SMS Operations Pty Ltd
(ABN 25 008 736 543)
64 Great Eastern Highway
South Guildford WA 6055

PO Box 74
Guildford WA 6935
P: +61 8 9277 8800
F: +61 8 9277 8844

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ASX ANNOUNCEMENT

FY 2011 HALF YEAR RESULT

HIGHLIGHTS

- ☐ Sale of Surface Diamond Division completed on 14 February.
- ☐ Strong increase in revenues and improved cashflow from operations.
- ☐ Continued aggressive reduction of debt.
- ☐ Current level of capital investment supports significant revenue growth.
- ☐ Strong focus on reducing capital cost of Swick's proprietary Mobile Drill Rig.
- ☐ Increased market activity, strong tendering pipeline.
- ☐ North America to maintain its contribution with good opportunities for new work.

Mineral drilling contractor Swick Mining Services (ASX:SWK) is pleased to announce a net profit after tax of \$1.54 million from revenue of \$54.72 million for the six months ended 31 December 2010.

Revenue increased 38% on the previous corresponding period. Earnings before tax increased 34% on the corresponding period from \$1.55m to \$2.08m. The Company also experienced a strong increase in operating cashflow from \$0.73m in December 2009 to \$10.38m in the current period.

Kent Swick MD states: "The first half has been a period of strategic consolidation in the business. The sale process of the surface diamond division is now complete and the Company can focus on its areas of strength and competitive advantage. Swick is concentrating on safety, efficiency and quality of its service, areas in which the Company is amongst the market leaders."

"I believe we have the systems, the people and the vision to continually improve our business. We intend to develop a truly global brand recognised as specialist service providers that will yield strong returns for our shareholders. The results outlined today identify the path we are on and the position of strength we are working towards"

UNDERGROUND DIAMOND

SURFACE RC

UNDERGROUND PRODUCTION

The half year result compared to the previous corresponding period is summarised below:

H1 FY2011 FINANCIAL RESULTS	H1 2011	H1 2010	Change
Continuing Operations	\$m	\$m	%
Revenue	54.725	39.668	+ 38%
Gross Margin	12.627	11.093	+ 14%
Gross Margin %	23.1%	28.0%	
EBITDA	11.670	10.094	+ 15%
EBITDA Margin %	21.3%	25.4%	
Depreciation and Amortisation	7.946	6.787	
Interest	1.576	1.756	
Impairment	0.070	-	
EBT	2.078	1.551	+ 34%
NPAT *	1.540	1.460	+ 5%
NPAT Margin %	2.8%	3.7%	
Cash from Operations *	10.375	0.734	+ 1313%
EPS - cents per share	0.65	0.85	

* As per statutory accounts - includes discontinued operations

This announcement is to be read in conjunction with the company's Appendix 4D Half Year Report attached. More detailed commentary of the company's performance is included in the Directors Report of the Half Year Report.

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 is 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