

For immediate release to the market

INDUSTREA Limited

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14 March 2011

Industrea acquires AJ Lucas Underground In-seam Gas Services Business

- Acquisition provides growth platform to continue developing Industrea's gas management operations
- Industrea to provide an integrated gas management offering and pursue high margin opportunities across related sectors
- Acquisition EPS accretive in the first year

Industrea Limited ("Industrea") today announced that it has entered into an agreement to acquire the AJ Lucas Underground In-seam Services ("UIS Business") from the AJ Lucas Group Limited ("AJ Lucas"), for \$25.5 million.

The UIS Business provides underground in-seam drilling for mine exploration, mine dewatering and coal mine methane gas drainage.

Industrea recently launched the Industrea Gas Management Division which along with integration of the UIS Business will enable Industrea to roll-out a fully integrated gas management solution on an accelerated basis.

The UIS Business is currently the second largest underground in-seam drilling provider in Australia, with approximately 44% market share and 45 staff, including a dedicated operational management team. The acquired fleet includes 7 drilling rigs and 8 survey systems. UIS' current customers include Xstrata, BHP, Rio Tinto, Anglo Coal, Centennial Coal, Peabody and Vale, among others, many of which are also Industrea clients.

Industrea Managing Director & CEO Robin Levison said the Gas Management Division has an exciting future:

"Over recent months Industrea has leveraged its experience to develop and manufacture an Industrea drill rig, which when incorporated with the unique AMT Drill Guidance System ("DGS") represents a clear technological step change over existing gas drainage solutions. The acquisition and integration of the UIS Business will augment Industrea's new Gas Management Division and allow us to provide a broader and enhanced gas

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management solution to both Australian and International clients, especially in China and Russia.”

“The transaction provides Industrea with further earnings diversification and a client base which includes many of the industry’s leading operators.”

“The addition of the UIS Business is part of Industrea’s strategic objective to selectively target earnings enhancing bolt-on acquisitions and to pursue high margin opportunities across related sectors.”

Transactions details

The acquisition is expected to be EPS accretive in the first full financial year following completion of the acquisition and is being funded from existing cash reserves.

The acquisition represents an EV / EBITDA multiple of 4.8 based upon estimated normalised EBITDA of \$5.3 million in the first full financial year following the acquisition.

Completion of the acquisition is expected to occur on 15 March 2011 and it is not expected to require regulatory approval.

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About Underground In-seam Services

The Underground In-seam Services (“UIS Business”) is currently the second largest underground in-seam drilling provider in Australia, with a c. 44% market share and employs 45 staff, including a dedicated operational management team. The acquired fleet includes 7 drilling rigs and 8 survey systems, together with associated spares, consumables and inventories.

UIS is used in underground coal mines for three distinct purposes:

- To investigate geological and mining conditions prior to mining operations to define the seam profile in areas of geological uncertainty (“exploration work”),
- Drilling surrounding geology for mine de-watering prior to mining the seam; and
- Drilling within the seam and surrounding geology to provide paths for draining gas from blocks of coal prior to mining (“gas drainage work”).