

# SWICK MINING SERVICES

Swick Mining Services Ltd  
(ABN 20 112 917 905)  
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

## SWICK SECURES NEW CONTRACT AWARDS AND CONTRACT RENEWALS

Swick Mining Services Ltd (ASX:SWK) is pleased to announce that in recent weeks it has been awarded a number of new contracts and contract expansions that will increase its rig utilisation by a total of nine rigs by Q1 FY12. The Company is also pleased to announce that a number of significant contract renewals have also been achieved. The new drilling contracts and renewals are expected to significantly bolster revenues and lead to improved profitability in the medium term.

The Company is also pleased to announce that its North American subsidiary headquartered in Sudbury, Ontario now has a full order book for its equipment and strong potential to further increase its business in the near term.

Kent Swick (*Managing Director*, Swick Mining Services) stated "The Company has had a very successful period in recent weeks, securing a number of new contract awards and renewing contracts with a number of existing clients. This takes our order book to in excess of \$215 million with the ability to further increase this in the short term with a number of tenders currently submitted and in the pipeline."

"New contracts requiring a minimum of three rigs have been recently awarded to the Underground Diamond Division by NQM Gold (Pajingo, North Queensland) and Tagish Lake Gold in the Yukon Territory of Canada; further cementing Swick as one of the world's leading underground diamond drilling service providers."

"The RC division is also performing strongly with six of the seven available rigs to be in work by July 2011. New contract awards include two rigs for Rio Tinto Iron Ore in the Pilbara region of Western Australia and one rig for Altona Minerals in the Cloncurry region of Queensland."

"A particularly pleasing aspect of the recent awards and renewals is the fact that as a consequence the North American operation will now have all nine of its underground drilling rigs in work by mid-year, with the expectation of further demand to come from its cornerstone client Newmont and a number of other potential clients currently tendering for underground drilling services. It is anticipated that we will have to send additional drill rigs to North America in the near term to satisfy probable demand."

"It is now clear that the North American operation has completed the business initiation phase and has become a fully fledged market participant employing approximately 75 staff and counting as its clients some of North America's largest and most active mining houses. The recent announcement by the Sudbury Chamber of Commerce that Swick Mining Services Canada Inc. had been announced "Best New Business Venture" at their Business Excellence Awards is just reward for local management and testament of the reputation that Swick has gained in the North American market for its high quality and cost effective service."

"It is also worth noting that all of the contract renewals in Australia incorporated rate increases reflecting the ongoing recovery in underground drilling rates and demonstrative of our clients' recognition of the value of the total service offering provided by Swick."

The effect of the recent new awards and contract renewals on rig utilisation is as follows:

|                           |           | ACTUAL    | ACTUAL      | FORECAST  | FORECAST    |
|---------------------------|-----------|-----------|-------------|-----------|-------------|
|                           | Available | In Work   | Utilisation | In Work   | Utilisation |
|                           | Fleet     | Apr-11    | Apr-11      | Q1 FY12   | Q1 FY12     |
| Surface RC                | 7         | 4         | 57%         | 6         | 86%         |
| Underground Longhole *    | 7         | 4         | 67%         | 4         | 67%         |
| Underground Diamond - Aus | 44        | 31        | 70%         | 33        | 75%         |
| Underground Diamond - NA  | 9         | 4         | 44%         | 9         | 100%        |
| <b>Totals</b>             | <b>67</b> | <b>43</b> | <b>64%</b>  | <b>52</b> | <b>78%</b>  |

\* includes 3 rigs operated on behalf of client

In addition to the recent new awards and contract renewals referred to above, the Company is also tendering on a number of prospects both in Australia and North America and expects to continue to improve rigs in work as the calendar year 2011 unfolds.

On behalf of the Company, a special note of thanks to the business development and operations teams both in Australia and North America who have worked diligently to bring about the recent successes.

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