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The Manager
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MARKET UPDATE

- **Major contract win to generate \$75M over 3 years**
 - **Expanding service offering to mining industry**
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Ausdrill Limited (**ASX: ASL**) provides the following market update:

Fortescue Letter of Intent

Ausdrill Limited (ASX: ASL) is pleased to announce it has received a Letter of Intent from Fortescue Metals Group Ltd (ASX: FMG) for the award of a mining services contract at Fortescue's Solomon iron ore project, located in the Pilbara region of Western Australia.

Ausdrill will provide Reverse Circulation (RC) Grade Control and Resource Development Drilling at the Solomon Hub, utilising up to six drills in order to define the initial three years of ore production.

The contract, which is expected to commence in October 2011, will generate approximately \$75M in revenue over 36 months.

Underground Contract Mining

As part of an overall strategy to provide a full service offering to the mining industry, Ausdrill is examining options for the establishment of a new division providing underground mining services within Australia. Ausdrill's expansion plans include consideration of establishing an underground contract mining division as a start-up or by way of acquisition of contractors currently in the market. Ausdrill has investigated a possible acquisition of Barminto but was unable to come to terms with its owners.

Commenting on the two developments, Ausdrill Managing Director, Ron Sayers, said: "We are pleased that Ausdrill continues to be a provider of mining services to aid in the expansion of the iron ore industry in the Pilbara. Due to the increasing level of activity in the region, we believe there are significant opportunities to provide further services to the industry to new and existing customers. We also remain focussed on expanding our service offering to the resources industry in a way that will create shareholder value."



About Ausdrill

Ausdrill (ASX: ASL) is a diversified mining services company. Since its formation in Kalgoorlie in 1987, Ausdrill has grown significantly and now has operations across Australia, Africa and the United Kingdom. Ausdrill is a leader in providing services in contract mining, grade control, drill & blast, exploration, mineral analysis, procurement & logistics and manufacturing. The Ausdrill Group employs over 4,000 staff worldwide.

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