

6 SEPTEMBER 2011

---

## SECURITIES TRADING POLICY

The Board of Ausdrill Limited announces that it has revised its Securities Trading Policy, as attached to this announcement.

The revised policy will also be published on the Company's website at [www.ausdrill.com.au](http://www.ausdrill.com.au).

For and on behalf of the Board.

AUSDRILL LIMITED



DOMENIC SANTINI  
Company Secretary

**BRINGING MORE  
TO MINING**

## SECURITIES TRADING POLICY

The Company's Securities Trading Policy imposes basic trading restrictions on all employees of the Company and its related companies with "inside information", and additional trading restrictions on key management personnel, being those persons having authority and responsibility for planning, directing and controlling the activities of the Ausdrill Group, directly or indirectly, including any director (whether executive or otherwise) of the Group or its controlled entities (**Key Management Personnel**).

The restrictions and procedures in relation to the Company's securities apply equally to trading in all types of the Company's securities including shares, options, warrants, debentures and notes.

### What is inside information?

"inside information" is information that:

- is not generally available; and
- if it were generally available it would, or would be likely to, influence investors in deciding whether to buy or sell the Company's shares or other securities.

### Insider trading is prohibited at all times

If an employee or director possesses inside information, the person must not:

- trade in securities. "Trading" in securities includes applying for, acquiring or disposing of securities or entering into an agreement to apply for, acquire or dispose of securities;
- advise others or procure others to trade in securities; or
- pass on the inside information to others – including colleagues, family or friends – knowing (or where the employee or director should have reasonably known) that the other persons will use that information to trade in, or procure someone else to trade in, securities.

This prohibition applies regardless of how the employee or director learns the information (eg, even if the employee or director overhears it or is told it in a social setting).

The prohibition on insider trading applies not only to information concerning the Company's securities. If a person has inside information in relation to securities of another company (which they have learned through their position in the Company), that person must not deal in those securities.

In the event of any uncertainty regarding the implementation of this Securities Trading Policy, those affected need to ensure that the market is fully informed before they trade and as a matter of course, and to protect themselves, should discuss the intended trading with the Chairman, the Company Secretary or their legal advisers. Insider trading is prohibited at any time if the person possesses inside information, irrespective of whether this Securities Trading Policy provides that trading could occur in a trading window or outside a prohibited period, or whether the trade is excluded from the operation of this Securities Trading Policy.

## SECURITIES TRADING POLICY

Directors and employees have a duty of confidentiality to the Company in relation to any confidential information they possess, in addition to obligations under the law in relation to inside information.

Directors and employees should also be aware that external advisers who receive confidential information may owe a duty of confidentiality. Directors and employees are encouraged to enforce such obligations, particularly where inside information is involved.

### **Additional restrictions on trading by Key Management Personnel**

Before trading in the Company's securities, Key Management Personnel (including, without limitation, directors, Chief Financial Officers, Company Secretaries, General Counsel, Group General Managers and other senior executives) must:

- advise the Chairman and the Company Secretary of their intention to trade in the Company's securities and whether they intend to enter into, or have entered into, a margin lending or other security arrangement affecting the Company's securities;
- confirm that they do not hold unpublished inside information about the Company, the Group or the Company's securities; and
- have been advised by the Chairman (in writing or via email) that there is no known reason to preclude the trading in the Company's securities or entering into a margin lending or other security arrangement affecting the Company's securities.

After permission has been granted by the Chairman, the Key Management Personnel must complete the trade or enter into the margin lending or other security arrangement within twenty (20) working days after the approval (or such longer time as stated in the approval). Upon completion of any trading, the Key Management Personnel must inform the Company Secretary within two (2) working days of all details relating to the transaction including the date of the transaction, the number and class of securities involved and the price per security.

The Key Management Personnel have an obligation to, and must, notify the Chairman and the Company Secretary if a security interest affecting the Company's securities that they own or control is created, varied or discharged and the details of the security interest. This includes disclosing the terms of any margin lending arrangements which they may enter into.

Key Management Personnel and those employees involved in the preparation and release of financial statements for the Company (or any of its divisions) shall not engage in trading of the Company's securities during "closed periods" which are the period from 1 July until the first trading day after the announcement of the Company's preliminary annual results and the period from 1 January until the first trading day after the announcement of the Company's half-yearly results. The prohibitions on trading extend to those persons' related entities and families. From time to time, the Board may also declare that Key Management Personnel are prohibited from trading in the Company's securities during certain other trading periods even though those other trading periods are not closed periods.

## SECURITIES TRADING POLICY

In “exceptional circumstances”, the Chairman may permit trading in the Company’s securities by Key Management Personnel when this policy would otherwise prohibit such trading. Exceptional circumstances include (without limitation) the requirement to sell securities due to severe financial hardship or a court order, court-enforceable undertaking or other overriding legal or regulatory requirement. Approval of any other exceptional circumstances is at the Chairman’s discretion. The person wishing to trade in securities during a closed period must satisfy the Chairman that they are in severe financial hardship or that their circumstances are otherwise exceptional and that the proposed trading is the only reasonable course of action available. The person must not trade until they have received permission from the Chairman (in writing or via email) in accordance with the procedures described above (and must then only trade within the twenty (20) working days after the approval or such longer time as stated in the approval).

If the Chairman wishes to trade in the Company’s securities, the Chairman must notify the Managing Director and the Company Secretary in accordance with the above procedures and must not trade unless they have received permission in accordance with the procedures described above (with such permission to be sought from the Managing Director in place of the Chairman).

### Application of Securities Trading Policy

The Company’s Securities Trading Policy also applies to trading in financial products issued or created over the Company’s securities by third parties (such as derivatives), or trading in associated products.

Key Management Personnel are prohibited from entering into transactions in associated products which operate to limit the economic risk of security holdings in the Company over unvested entitlements.

The Company’s Securities Trading Policy does not apply (and no approvals or notifications are required) in the following circumstances:

- transfers of securities already held into a superannuation fund or other saving scheme in which the restricted person is a beneficiary;
- an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the Company’s securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
- where a restricted person is a trustee, trading in the securities of the Company by that trust provided the restricted person is not a beneficiary of the trust and any decision to trade during a prohibited period is taken by the other trustees or by the investment managers independently of the restricted person;
- undertakings to accept, or the acceptance of, a takeover offer or similar transaction;
- trading under an offer or invitation made to all or most of the security holders, such as a rights issue, a security purchase plan, a dividend reinvestment plan or an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board. This includes decisions relating to whether or not to take up the entitlements and the sale of

## SECURITIES TRADING POLICY

entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;

- a disposal of securities of the entity that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement; or
- the exercise (but not the sale of securities following exercise) of an option or a right under an employee incentive scheme, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a prohibited period and either:
  - the entity has been in an exceptionally long prohibited period or the entity has had a number of consecutive prohibited periods and the restricted person could not reasonably have been expected to exercise their rights at a time when free to do so; or
  - the exercise of the option or right falls within an exception to the insider trading provisions, such as the exception in Regulation 9.12.01(b) of the Corporations Regulations 2001.

As mentioned above, insider trading is prohibited at any time if the person possesses inside information, irrespective of whether this Securities Trading Policy provides that trading could occur in a trading window or outside a prohibited period, or whether the trade is excluded from the operation of this Securities Trading Policy.

### **Responsibilities**

The Company Secretary is to be immediately notified of share trades by directors or director-related entities. The Company Secretary must introduce appropriate compliance standards and procedures to ensure that the Securities Trading Policy is properly implemented. The Company's Securities Trading Policy is to be reviewed annually by the Audit Committee to assess compliance and effectiveness.